

# How JICMAIL helped Citipost change a Homeware client's acquisition strategy

**Client:** Independent Homeware Chain

**Media:** Citipost Mail



## The Challenge

Homeware suppliers have seen an increase in trade during the pandemic, as customers have diverted any disposable income towards home and garden improvements and staycations. However, this increase in trade has driven competition between online providers and those with physical stores and has further highlighted price differentials between outlets.

Our client, an independently owned mid-priced chain of homeware stores, have been using Direct Mail to drive customers online as part of an acquisition strategy. They have been satisfied with their response rates so far but have been considering switching their DM spend to digital marketing channels which they feel would be easier to measure in terms of campaign ROI. Indeed, senior decision makers seemed to have already chosen to remove DM from their marketing mix.

We set about challenging this assumption using JICMAIL data to help make a business case for improved ROI by retaining mail in their channel mix.



## The Approach

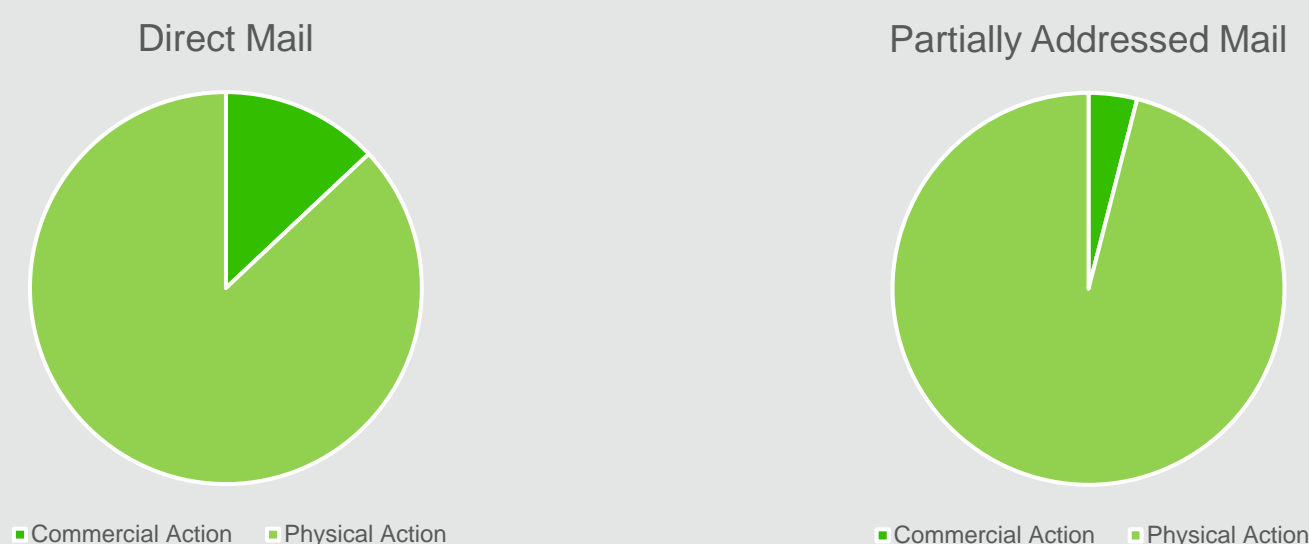
Utilising JICMAIL planning data, the Citipost Mail team embarked on a project to develop a highly informed business case to prove the validity of a physical mail campaign.

Using the client's normal campaign pattern of 100k items, which are a mix of cold and warm data leads, the team analysed the potential returns by switching up the Mosaic geodemographic groups within the planning tool. The data showed that by targeting the Senior Security Mosaic group instead of the Suburban Stability group, they were likely to increase their response rate from 6.15% to 7.90% giving an impressive ROI of £40.07 compared with £30.77.

Delving deeper into the JICMAIL data, the team were able to analyse the Acorn geodemographic groups that competitors within the homeware space have targeted with their campaigns during 2021. The 'struggling estates' group is the most targeted group, albeit predominantly by Argos. This may be due to the fact that they generally have products available at an average lower price point than our client. Comparably, Ikea seem to employ a strategy of spreading their campaigns across multiple geodemographic groups, possibly as a test strategy to inform future campaign decisions.

Our client has a history of sending out Partially Addressed Mail campaigns (PAM), where the mail item is addressed to the 'household,' 'occupier,' or another variant of this. Again, studying the JICMAIL data, we were able to demonstrate that addressed mail is currently much more likely to drive a commercial action than PAM (13% of DM actions are commercial actions vs 4% of PAM actions).

To conclude, our recommendation was for our client to switch from PAM to addressed mail campaigns that drive traffic online. We suggested that lists for the Mosaic geodemographic group titled 'Senior Security' should be considered, either in entirety or as part of a larger campaign list. The use of a QR code and an offer code was suggested as a way of making it easy for customers to access their website and as a way to measure performance once the campaign was live. JICMAIL data shows that 9% of people who received direct mail go to the senders' website and 5% go online, the addition of a QR code should support this ease of the journey from printed matter to online. This suggestion should allay their concerns about not being able to measure physical mail campaign success.



**12,259 retail items sampled in 2020 showing physical and commercial actions with DM and PAM**

## The Outcome

Our client welcomed our evidence-based input and were happy to reconsider their plans given the new insight offered by Citipost Mail using the JICMAIL data. They have digested all of the information and are in the process of attaining geodemographic person and address data to test the theory offered. We understand that they will be running variations to this, testing small samples of other demographic groups. We hope that the revised campaign is a success and that the information offered helps to strengthen the client relationship further.

The JICMAIL data was immediately accepted as industry insight of the highest order, and demonstrated many pieces of critical information that wasn't previously known or recognised by our client:

- The comparison of PAM and Person-Addressed mail data that demonstrates likelihood of driving purchase activity.
- The ability to utilise geodemographic data to hone a target audience by behaviour as well as location.
- The ability to track results either through the JICMAIL panel or via a response mechanism.
- The understanding of the potential lifespan of an addressed item within the home compared with a PAM item.

The response to this input at client level has been incredibly positive. They have now revised their whole view of physical mail and are in the process of looking at new ways of utilising the data to drive their marketing strategies. Their projected mail volumes have increased to an all-time high as a result.

Our client has a history of sending out Partially Addressed Mail campaigns (PAM), where the mail item is addressed to the 'household,' 'occupier,' or another variant of this. Again, studying the JICMAIL data, we were able to demonstrate that addressed mail is currently much more likely to drive a commercial action than PAM (13% of DM actions are commercial actions vs 4% of PAM actions).

To conclude, our recommendation was for our client to switch from PAM to addressed mail campaigns that drive traffic online. We suggested that lists for the Mosaic geodemographic group titled 'Senior Security' should be considered, either in entirety or as part of a larger campaign list. The use of a QR code and an offer code was suggested as a way of making it easy for customers to access their website and as a way to measure performance once the campaign was live. This suggestion should allay their concerns about not being able to measure physical mail campaign success.