

2024

The State of Direct Mail Marketing

Lob



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Introduction and *methodology*

For Lob's annual **State of Direct Mail Marketing**, we partnered with Comperemedia to conduct an extensive survey among marketing professionals at North American companies with 1,000+ employees, revealing vital insights into the present state of direct mail marketing.

The State of Direct Mail Marketing delves into the core of the direct mail channel, shedding light on its current use, the pivotal role of data in shaping campaigns, and the channel’s effectiveness in driving response rates, conversions, and return on investment. It also looks at how the evolving macroeconomic climate has impacted marketing budgets and the adoption of technology platforms, serving as catalysts for operational improvements in the channel.

This report is more than mere data; it’s an indispensable resource for marketing professionals and leaders searching for insights to redefine their strategies. Read on to get the key findings and actionable insights from this groundbreaking report about the state of direct mail for 2024 and beyond.

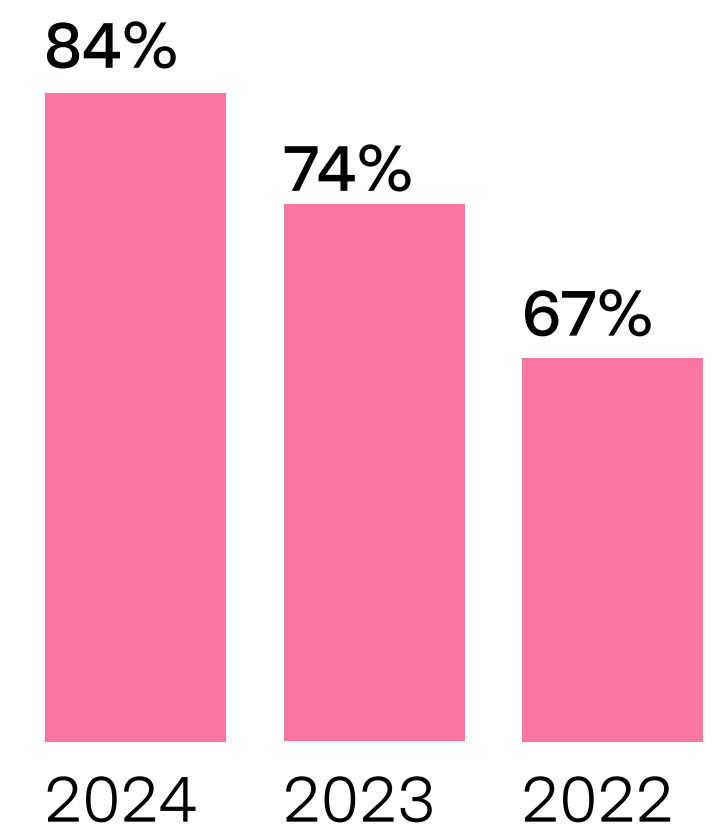


BONUS Access exclusive **State of Direct Mail Marketing Industry Insights** as a valuable addition to the State of Direct Mail data.

84%

of marketers agree direct mail provides the **highest ROI of any channel they use.**

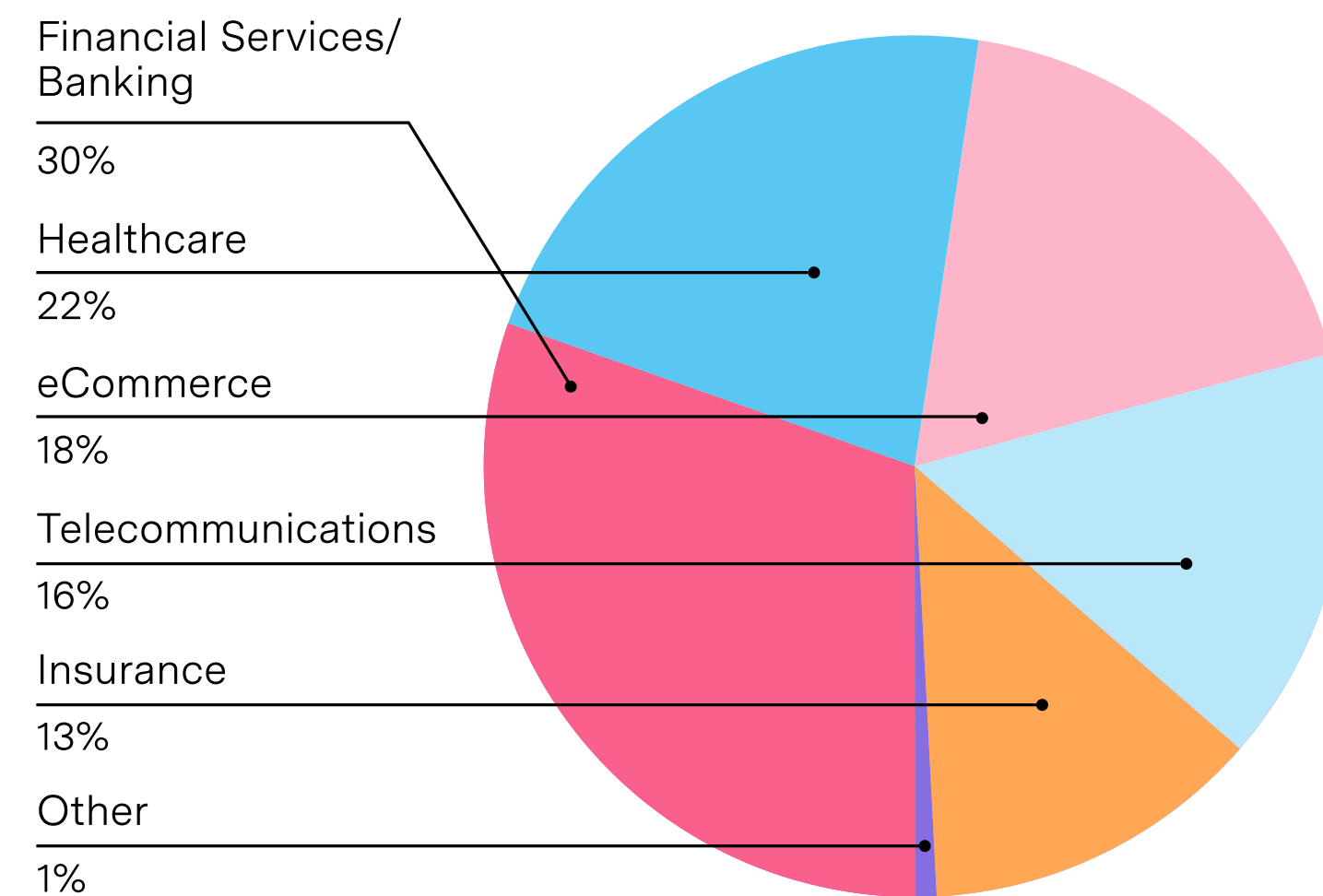
This number has consistently increased year-over-year for the third consecutive year, suggesting that direct mail has consistently earned its place as a channel that marketers can depend on to deliver results.



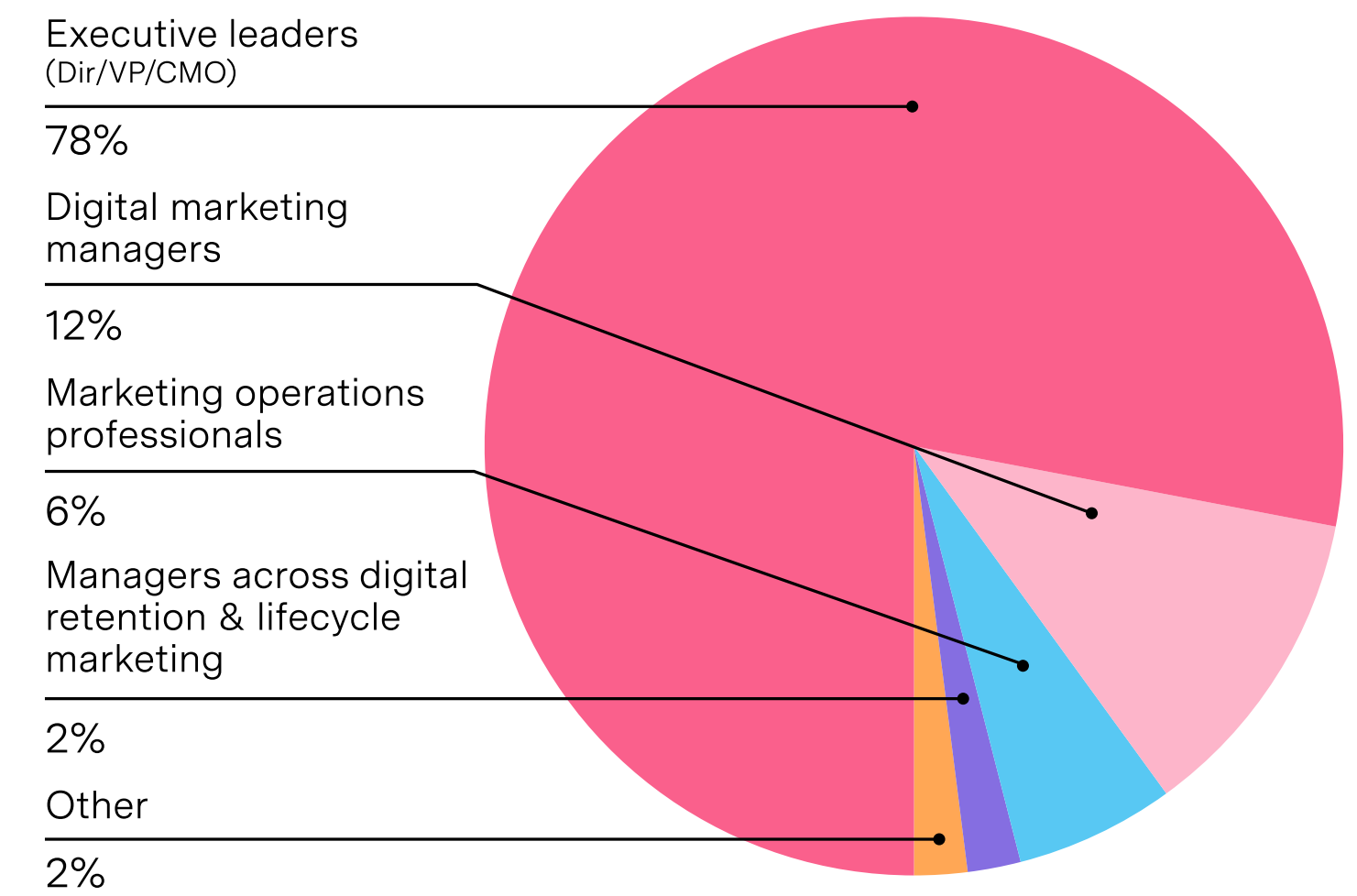
Report methodology



We interviewed 250 business professionals who work at North American companies with 1,000+ employees.



Respondents were required to have some level of input into the direct mail process at their company, with decision-maker titles/roles falling out naturally:



All data was aggregated and anonymized.

Executive summary and key *findings*



Executive *summary*

01

84% of respondents agree direct mail provides *the highest ROI* of any channel they use.

02

85% of marketers agree that direct mail delivers the best *conversion rate* and 84% agree it delivers the best *response rate* of all channels they use.

03

82% of respondents are *increasing* direct mail spend in 2024.

04

97% are *satisfied with their data* for effective execution of direct mail campaigns.

05

The leading use of data is *personalization*, cited by 68% of respondents.

06

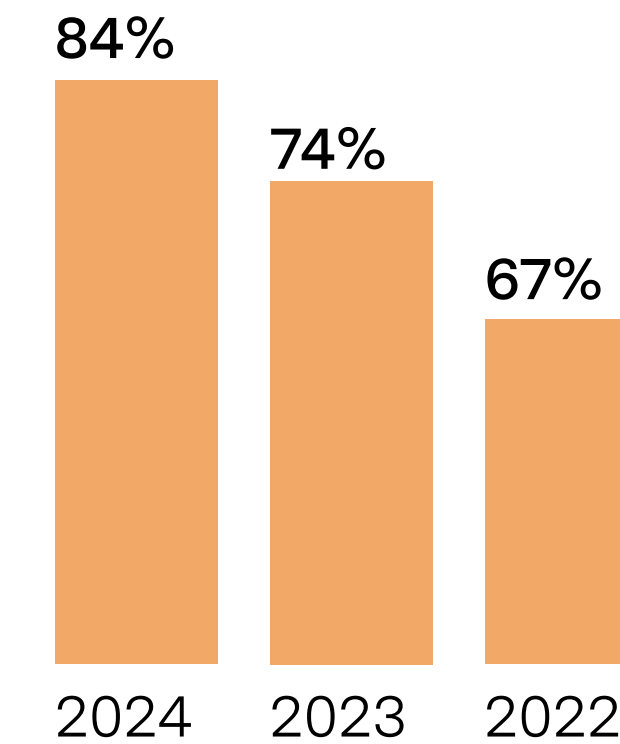
Adoption of direct mail *automation platforms* has grown, with 56% of respondents using a software/technology platform.

KEY FINDING

01

Direct mail delivers the *highest ROI* of any channel used.

84% of marketers agree direct mail provides the highest ROI of any channel they use. This number has consistently increased year-over-year for the last three years.



ACTIONABLE INSIGHT

Direct mail consistently delivers high ROI because it's:

Tangible—Direct mail allows for a physical connection with your audience. This tactile engagement often leads to a higher response rate compared to digital channels.

Personalized—Direct mail can be highly personalized, using data to tailor messages and offers to specific recipients. This level

of personalization increases relevance, making recipients more likely to take action, whether it's making a purchase or responding to a call to action.

Distinct—In a digital world saturated with emails, social media ads, and online content, direct mail stands out. The lower volume of physical mail compared to digital messages means your direct mail piece has a better chance of capturing the recipient's attention without being lost in a cluttered inbox.



LEARN MORE

[The Modern Marketer's Guide to Crush ROI & Budget Goals with Direct Mail](#)

KEY FINDING

02

Direct mail delivers the *best conversion and response rate* of all the channels.

Agreement with this statement increased 10 percentage points year-over-year to 85% and 84% respectively for 2024 from 74% in 2023 suggesting that marketers are using the channel more effectively to drive response and conversions.

88% of automation software users agree direct mail delivers the highest conversion rate vs. 82% of non-users.



ACTIONABLE INSIGHT

Marketers are enhancing the relevance of direct mail for their recipients by crafting more precisely targeted and personalized mailers.

They're also seamlessly combining direct mail with digital marketing strategies. This integration often includes the incorporation of QR codes,

personalized URLs, and other digital elements within their mail pieces. This strategic approach simplifies the recipient's transition from the physical to the digital realm, ultimately bolstering the effectiveness of direct mail marketing in achieving response and conversion rates.



LEARN MORE

[Optimizing Direct Mail for Maximum Results](#)

KEY FINDING

03

Marketers continue to *increase investment* in direct mail.

82% of respondents are increasing direct mail spend in 2024—a staggering increase from 2023 in which 58% of respondents claimed increasing budgets year over year.

85% of respondents increased their *overall* marketing budget.



ACTIONABLE INSIGHT

Over three-quarters of marketers increasing their marketing budgets can be attributed to several favorable macroeconomic conditions. A robust and growing economy has created a more optimistic business environment, with increased consumer confidence and spending. Additionally, low interest rates have reduced the cost of borrowing, providing businesses with easier access to capital for expansion and marketing

initiatives. The digital transformation of various industries has opened up new avenues for customer engagement, prompting marketers to invest more in online advertising and e-commerce strategies. The surge in demand for products and services, combined with a competitive marketplace, has spurred companies to allocate more resources to marketing efforts, seeking to gain a competitive edge and maximize their market share.



LEARN MORE

[The Modern Marketer's Guide to Omnichannel Marketing](#)

KEY FINDING

04

Marketers have the *data* they need to effectively execute direct mail campaigns.

97% are satisfied with their data for effective execution of direct mail campaigns.



ACTIONABLE INSIGHT

Marketers have access to the essential data needed for successful direct mail marketing campaigns through a combination of strategies.

They invest in customer profiling, segmenting their audience based on demographics, behavior, and preferences.

Advanced data analytics tools enable them to gain insights from various

sources, while data enrichment services enhance their databases with additional customer information.

Customer feedback, purchase history, technology integration, and third-party data sources all play a role in ensuring accurate and up-to-date data.



LEARN MORE

[Intelligent Targeting for Direct Mail Campaigns](#)

KEY FINDING

05

The top use of data in direct mail campaigns is for *personalization* followed by optimization.

68% of respondents use data to personalize campaigns.

64% of respondents use data to identify optimization opportunities.

**ACTIONABLE INSIGHT**

The trend of hyper-personalizing direct mail campaigns through data analytics creates deeper, more meaningful connections with customers, driving higher response rates and conversions.

This trend is essential in meeting the growing demand for personalized experiences. Additionally, data-driven analysis helps marketers identify opportunities for optimizing

campaign performance. By tracking response rates, analyzing customer engagement, and assessing conversions, they refine their direct mail efforts for increased efficiency and ROI. In a rapidly evolving marketing landscape, data plays a dual role in enhancing customer engagement and delivering maximum returns.

**LEARN MORE**

[Modern Marketer's Guide to Personalization](#)

KEY FINDING

06

Adoption of direct mail automation software has *increased*.

56% of respondents are using a direct mail automation software/technology platform to execute direct mail campaigns. This is an increase from 40% in 2023.

61% agree they cannot execute effective direct mail campaigns without the support of AI and/or automation.



ACTIONABLE INSIGHT

The adoption of direct mail automation platforms for executing marketing campaigns has surged by over 15 percent points from the previous year due to the remarkable efficiency and scalability they offer. These platforms streamline the entire direct mail process, from design to delivery, making it easier for businesses to create personalized and highly targeted campaigns. The integration of data analytics and

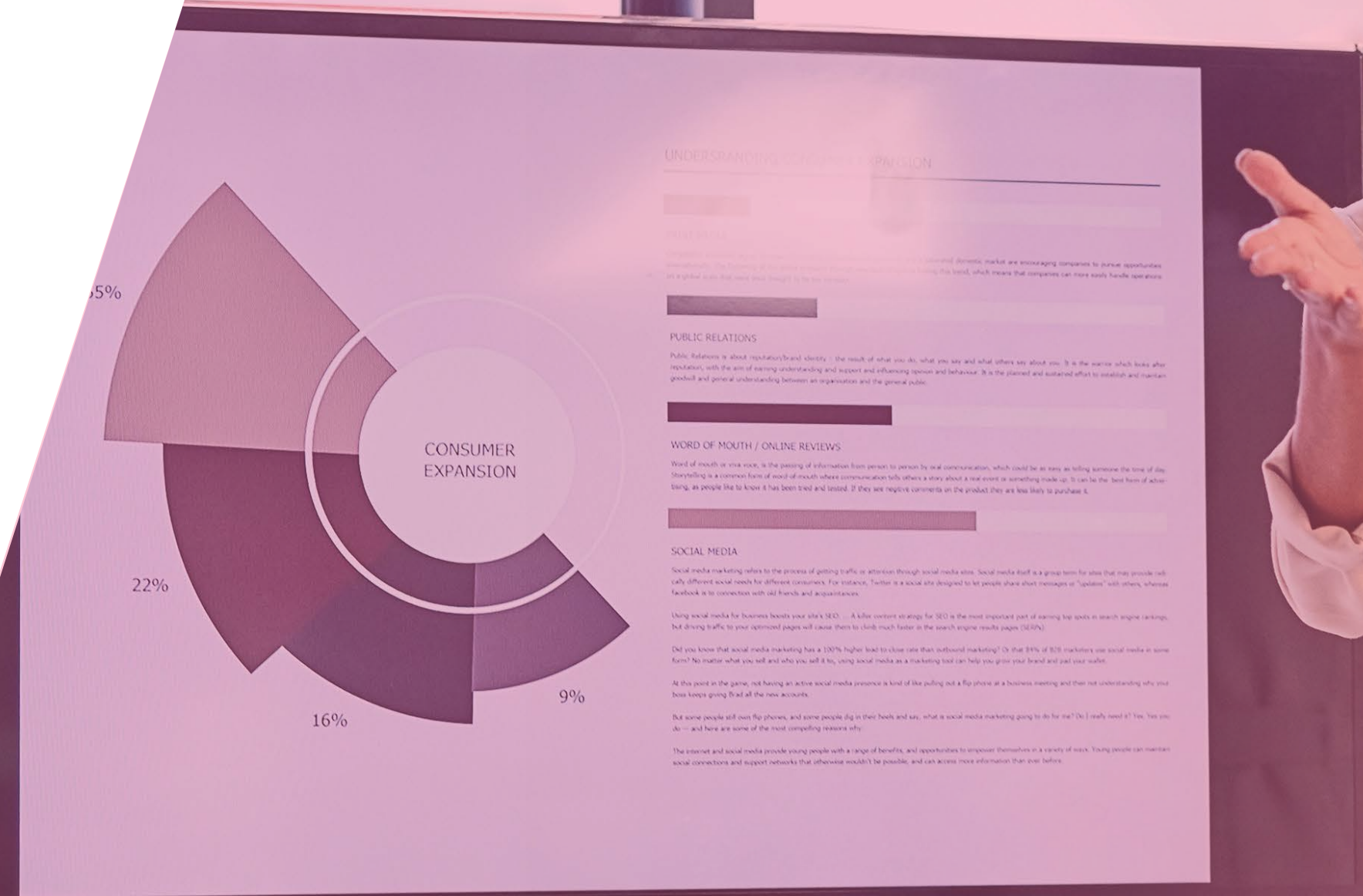
customer insights allows for more precise audience segmentation and tailored content, which significantly enhances campaign effectiveness. As a result, the industry is witnessing a growing recognition of direct mail automation as a pivotal tool for reducing costs, increasing response rates, and optimizing overall campaign performance, ultimately driving this substantial increase in adoption.



LEARN MORE

[What is direct mail automation?](#)

Success metrics and attribution



ROI:
84% of marketers agree direct mail provides the **highest ROI of any channel they use.**

Nearly all respondents that are significantly increasing direct mail spend agree direct mail provides the best ROI.

94%

vs.

69%

of respondents who are significantly increasing their direct mail budget agree that direct mail shows the best ROI of all channels used.

This compares to 69% for those with direct mail budgets remaining the same year-over-year.

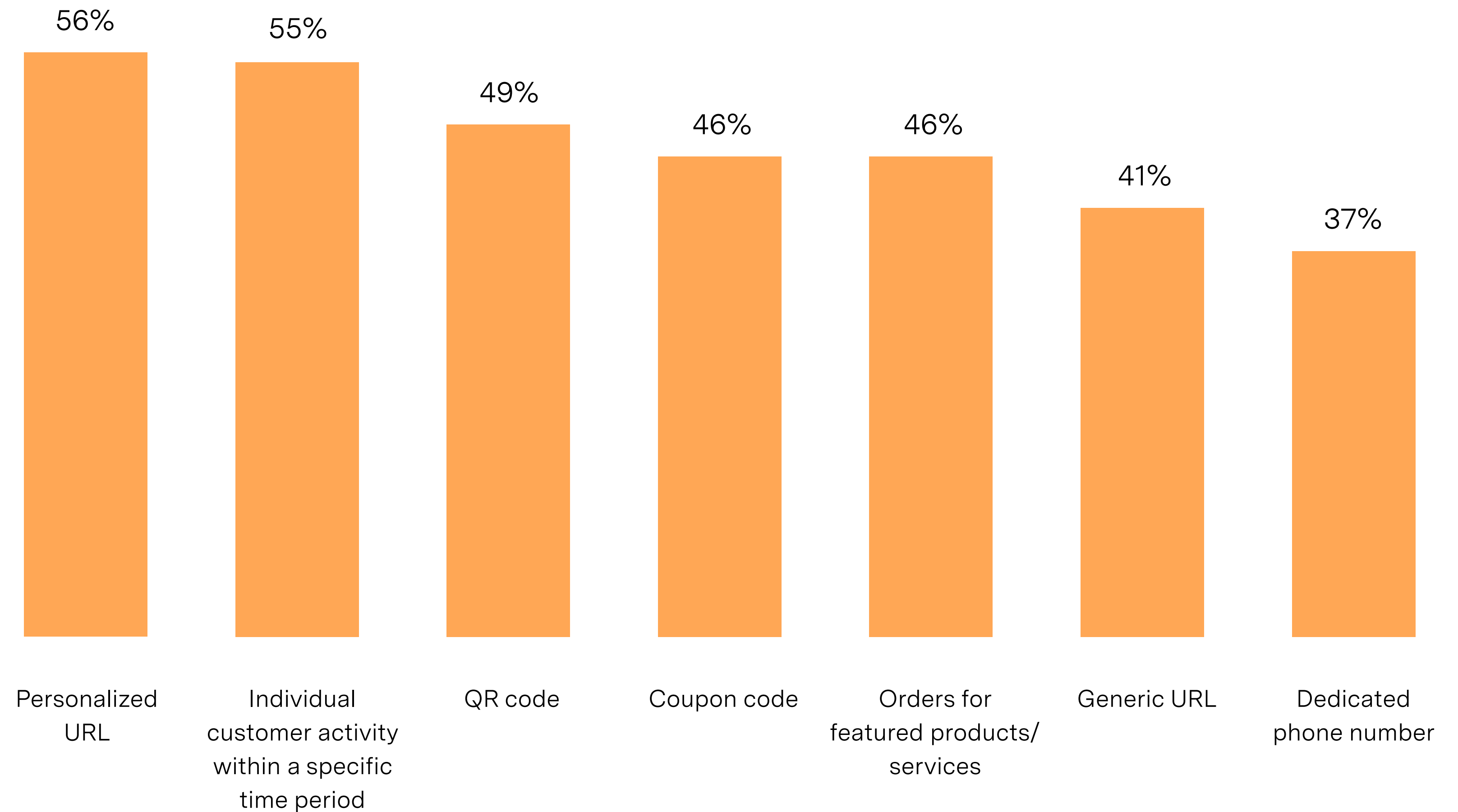
87% of automation software users agree vs. 79% of non-users.

ROI:
69% believe their company is able to **determine the ROI** of their direct mail efforts.

- 75% of automation software users can measure ROI vs. 62% of non-users.
- 98% of respondents significantly **increasing their direct mail budget** say ROI calculation is reliable for direct mail compared to 82% of respondents whose budget is staying the same YoY.

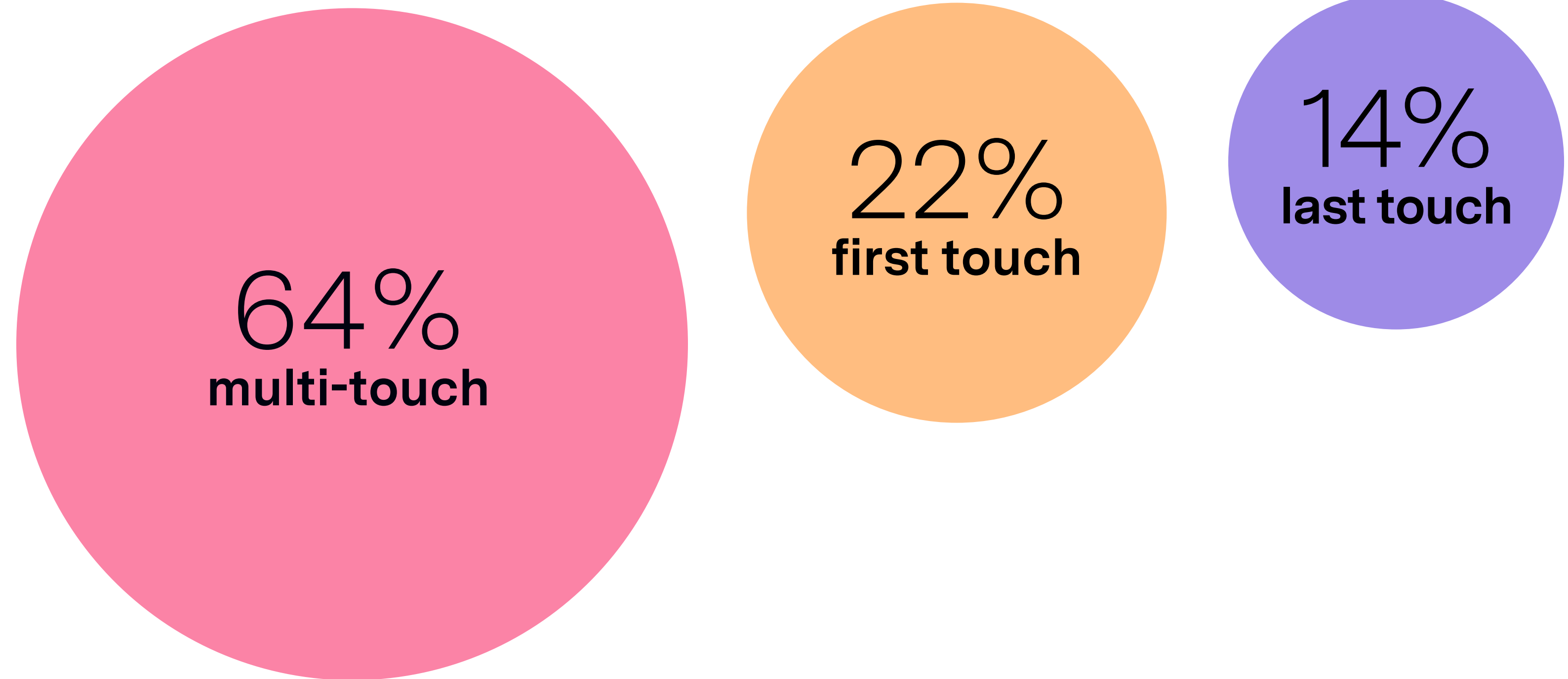
Conversion:
Personalized
URLs are the
most popular
way to **measure
conversions**
from direct mail
campaigns.

WAYS TO MEASURE CONVERSION



Attribution:
64% report they use **multi-touch attribution** methods.

ATTRIBUTION METHODS



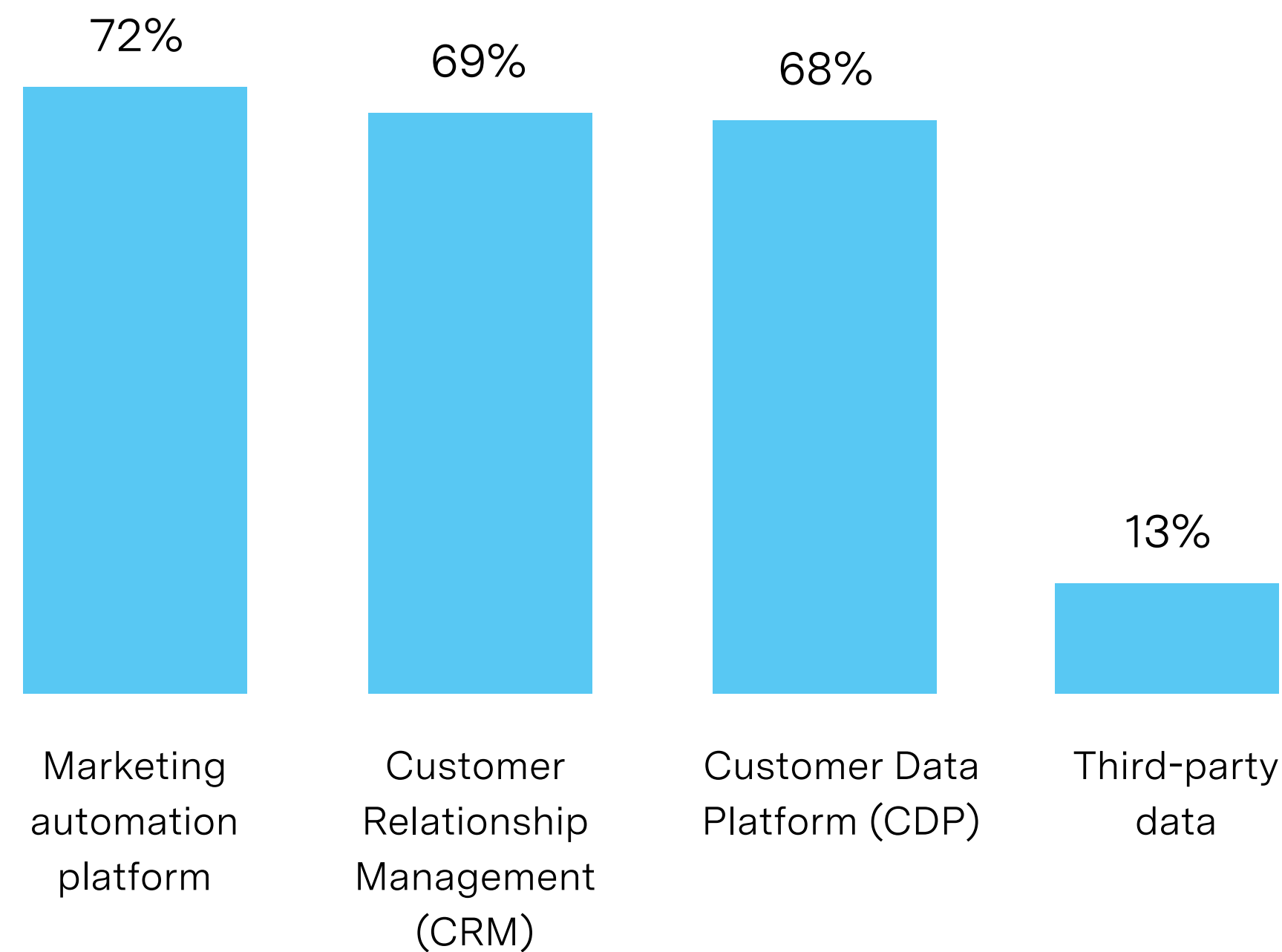
How data is leveraged for *direct mail*



87% agree their company does a good job integrating its direct mail and digital marketing efforts.

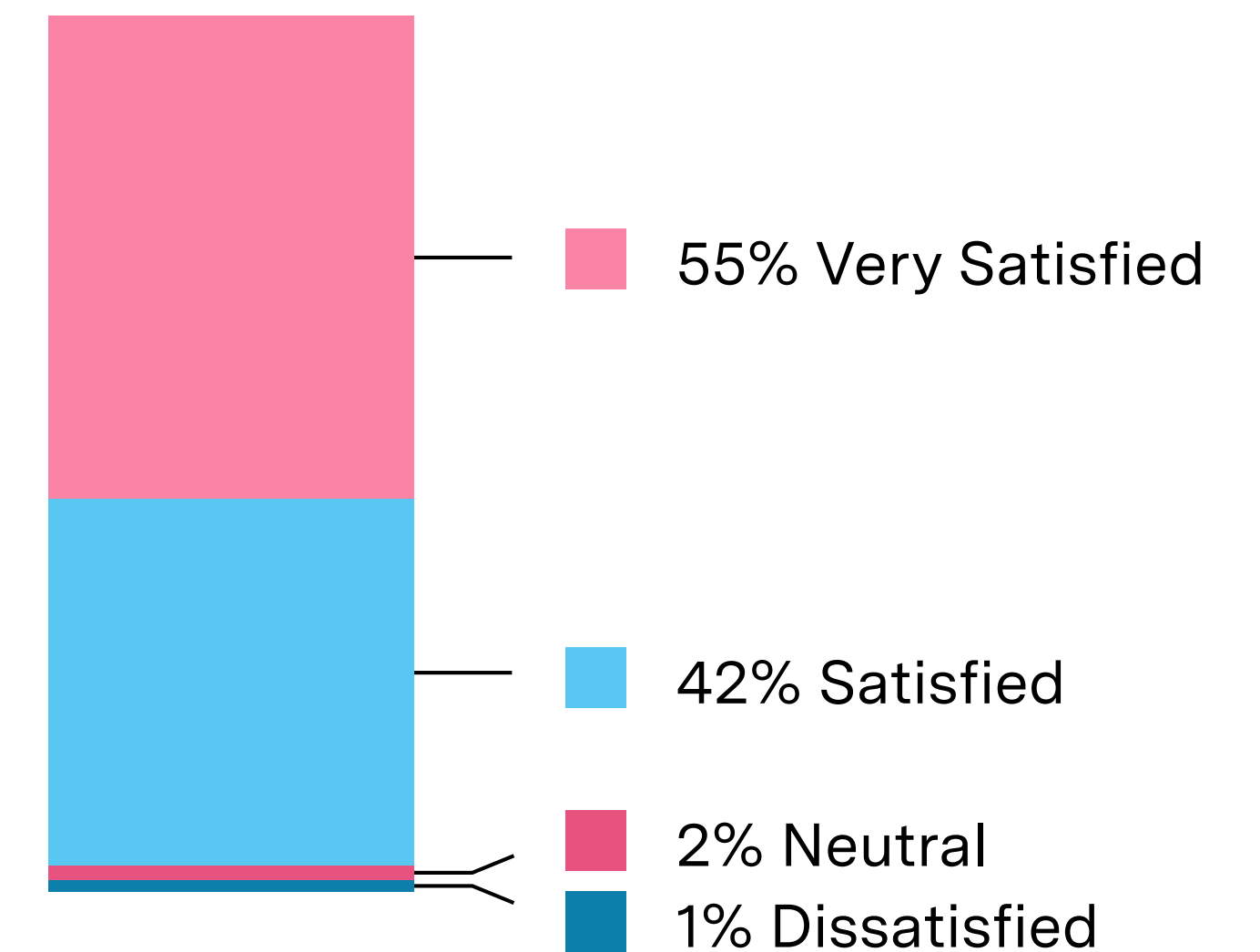
Nearly three-quarters of marketers incorporate **marketing automation platforms** as data sources in their direct mail campaigns

DATA SOURCES INTEGRATED WITH DIRECT MAIL



97% of marketers are satisfied with the data they have access to

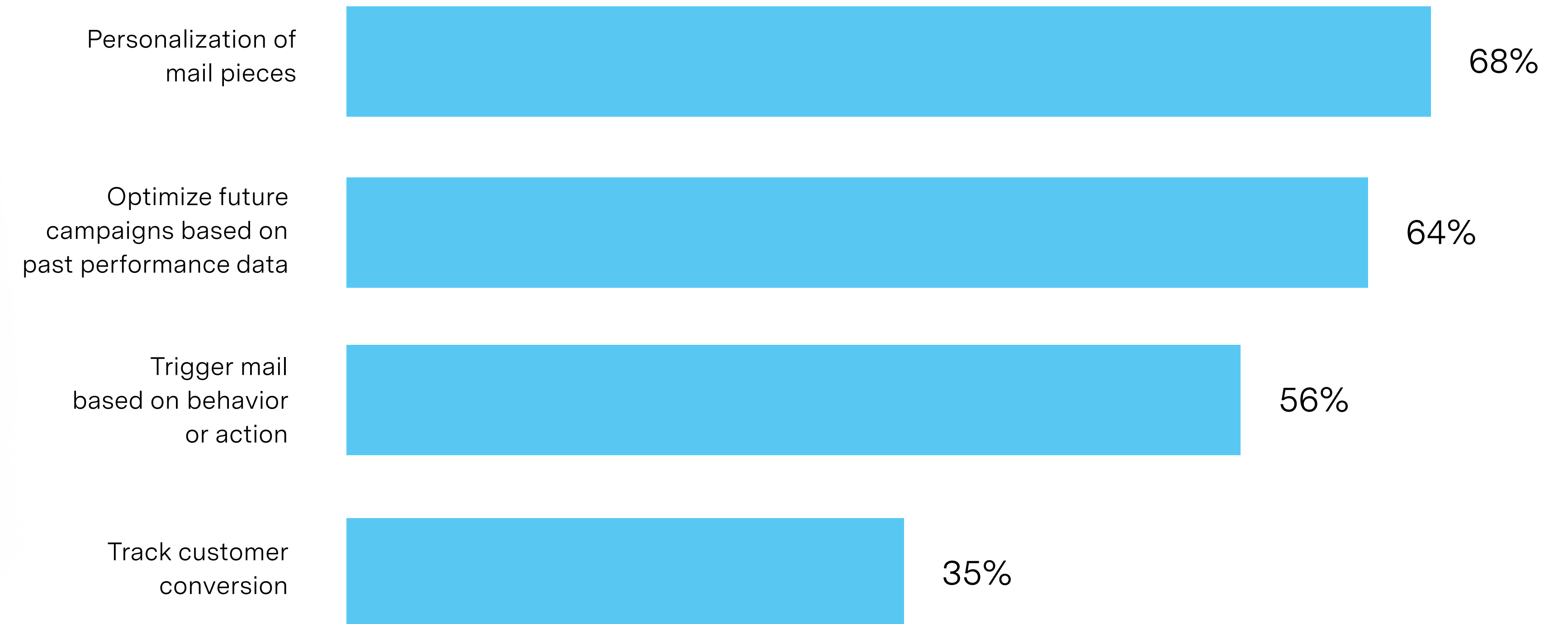
SATISFACTION WITH DATA ACCESS



Base: Total N=250
Q: What data sources do you integrate with your direct mail? (Select all that apply.)
Q: How satisfied are you with the data your organization has access to when it comes to executing direct mail campaigns effectively? (Please select one response)

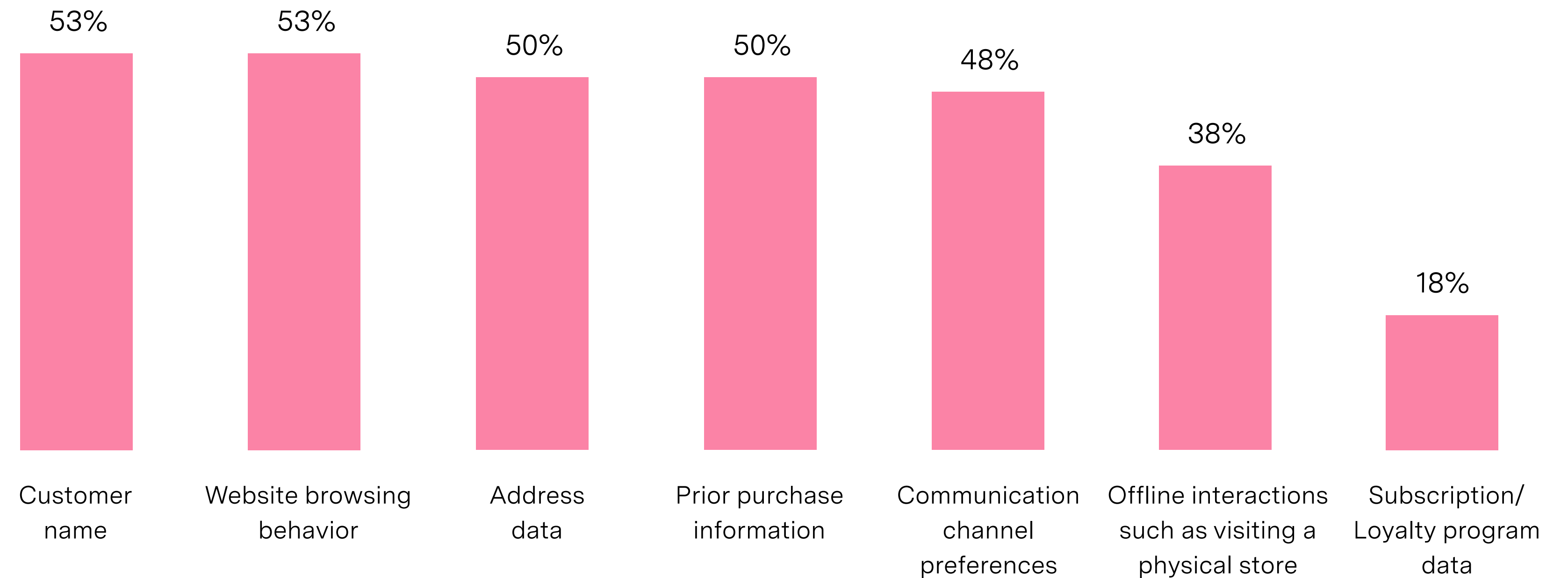
The top three uses of data are to **personalize** mail pieces, **optimize** campaigns, and **trigger** sends based on behaviors or actions.

HOW DO MARKETERS USE CUSTOMER DATA IN DIRECT MAIL



Data attributes
are being
used by half of
marketers.

DATA ATTRIBUTES BEING USED



Respondents *who track ROI* are more likely to indicate that they use data from other channels in their direct mail campaigns like web browsing behavior (57%) and store interactions (43%) compared to non-trackers (44% and 26%, respectively).

Investment in *direct mail*

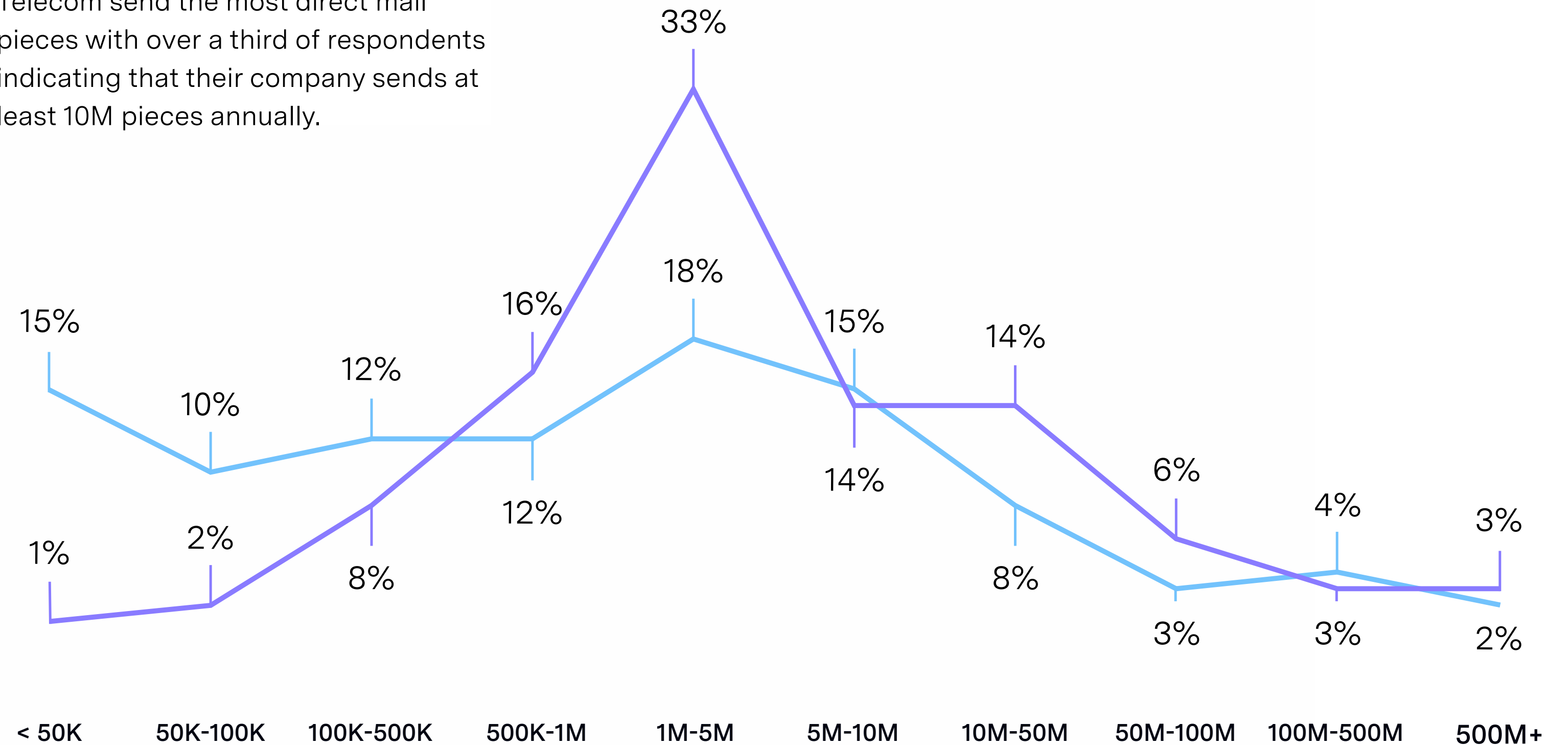


The average amount of direct mail sent annually has **increased** year-over-year.

**DIRECT MAIL SENT ANNUALLY
(NUMBER OF PIECES SENT)**

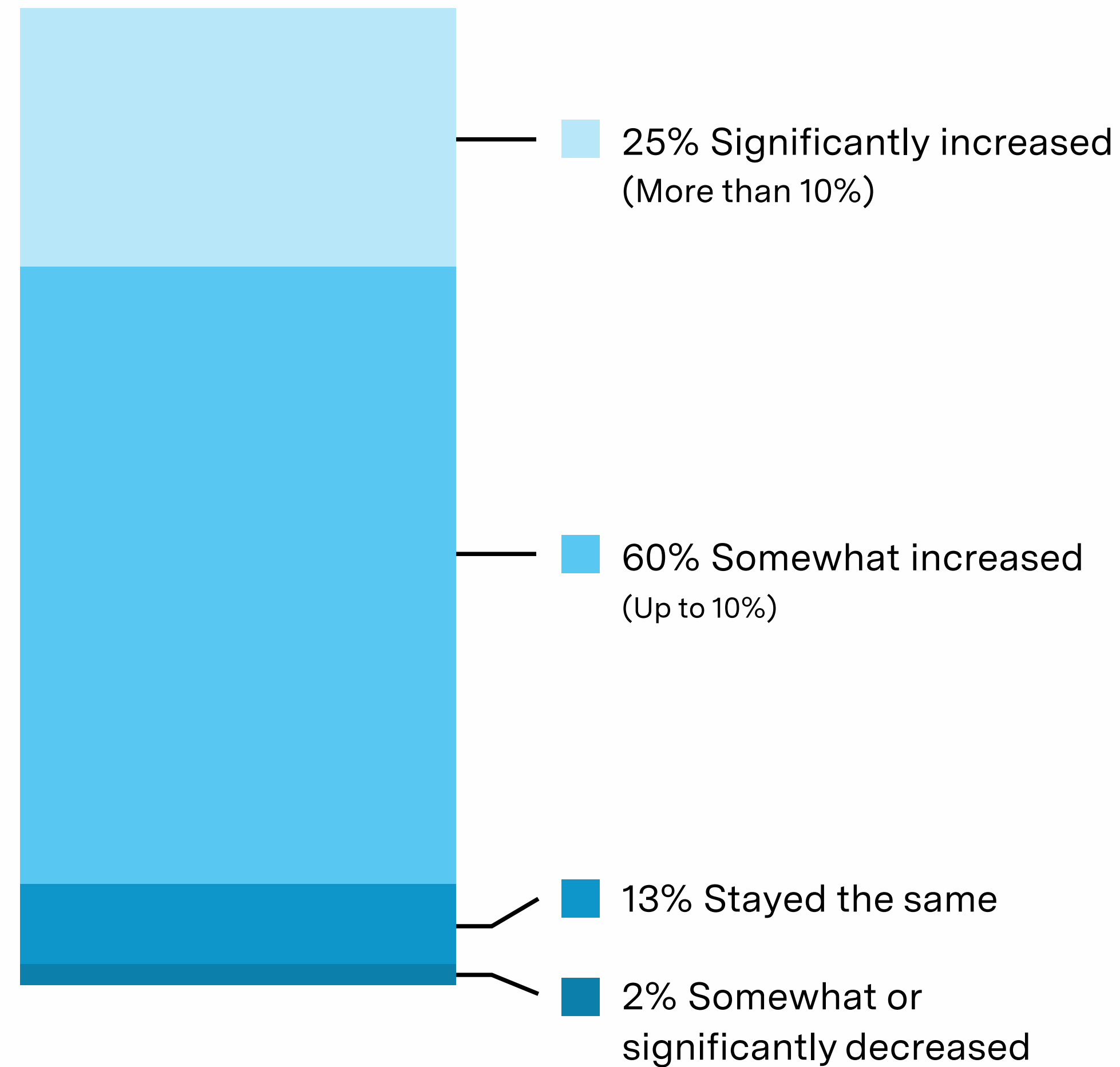
2023 2024

Financial Services/Banking and Telecom send the most direct mail pieces with over a third of respondents indicating that their company sends at least 10M pieces annually.



Overall marketing budgets have **increased** for over three quarters of respondents.

CHANGE IN ANNUAL MARKETING BUDGET

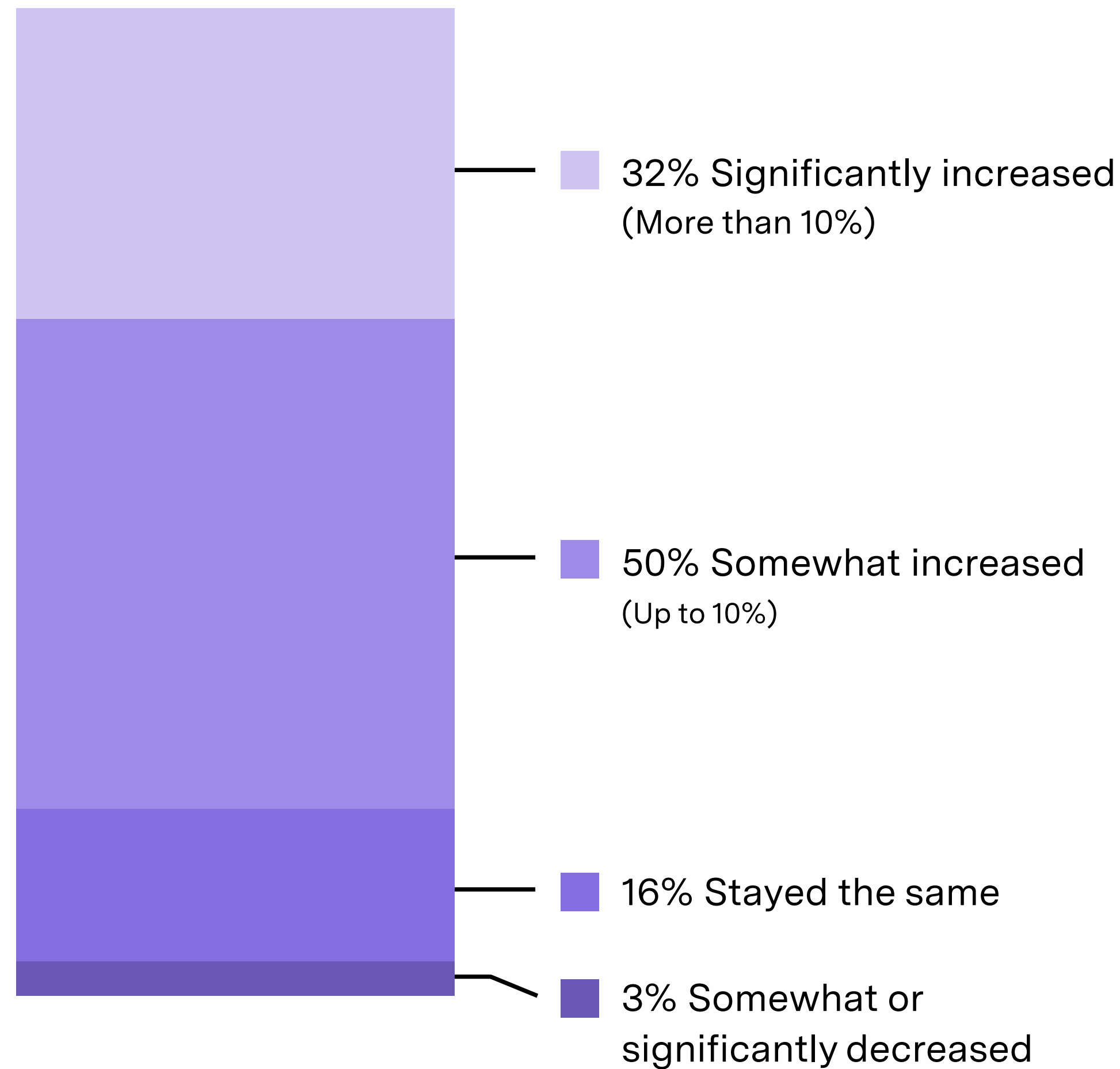


85%

of respondents **increased their overall** marketing budget for 2024.

82% of respondents are **increasing direct mail spend in 2024** — a considerable increase from 58% in 2023.

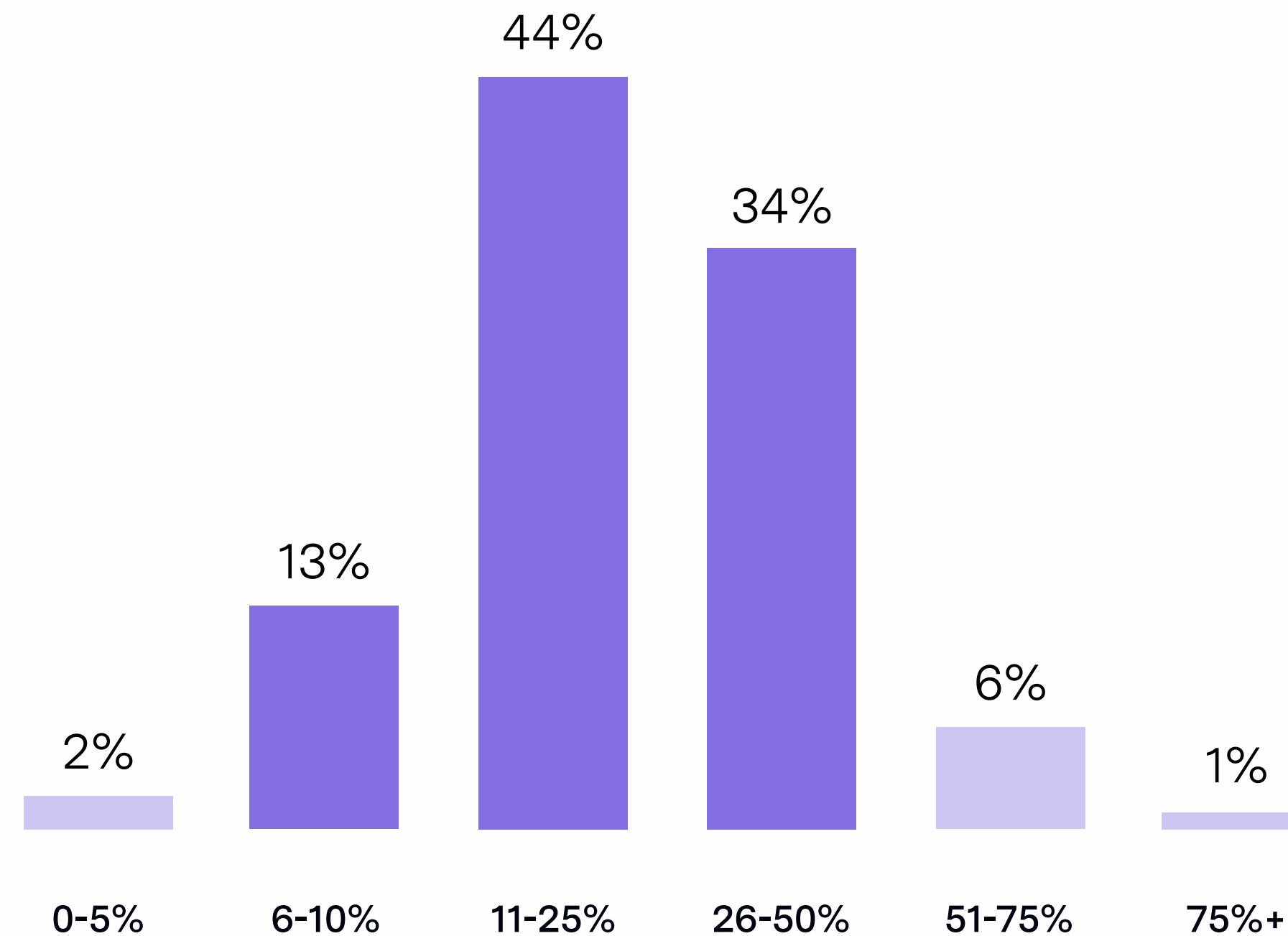
CHANGE IN DIRECT MAIL BUDGET



Direct mail marketing budget increases may be driven by larger overall marketing budgets gains.

About a quarter of marketing budgets are **spent on direct mail.**

MARKETING BUDGET ALLOCATION FOR DIRECT MAIL



59%

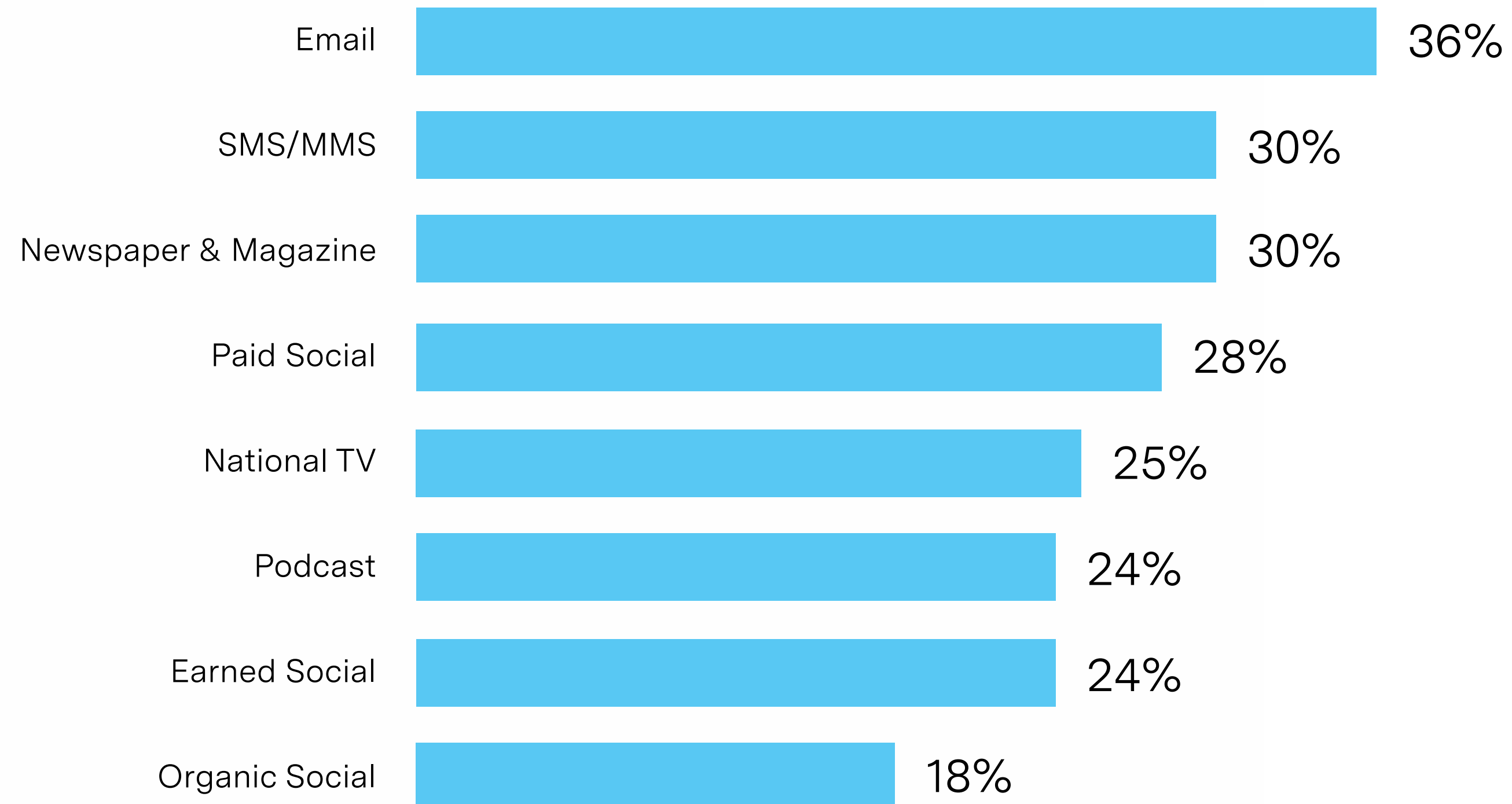
spend between 0-25% of budget on direct mail

41%

spend over 25%

Email, text, and other print media are allocated the **highest portion** of remaining marketing budget dollars.

MARKETING BUDGET ALLOCATION ACROSS OTHER CHANNELS

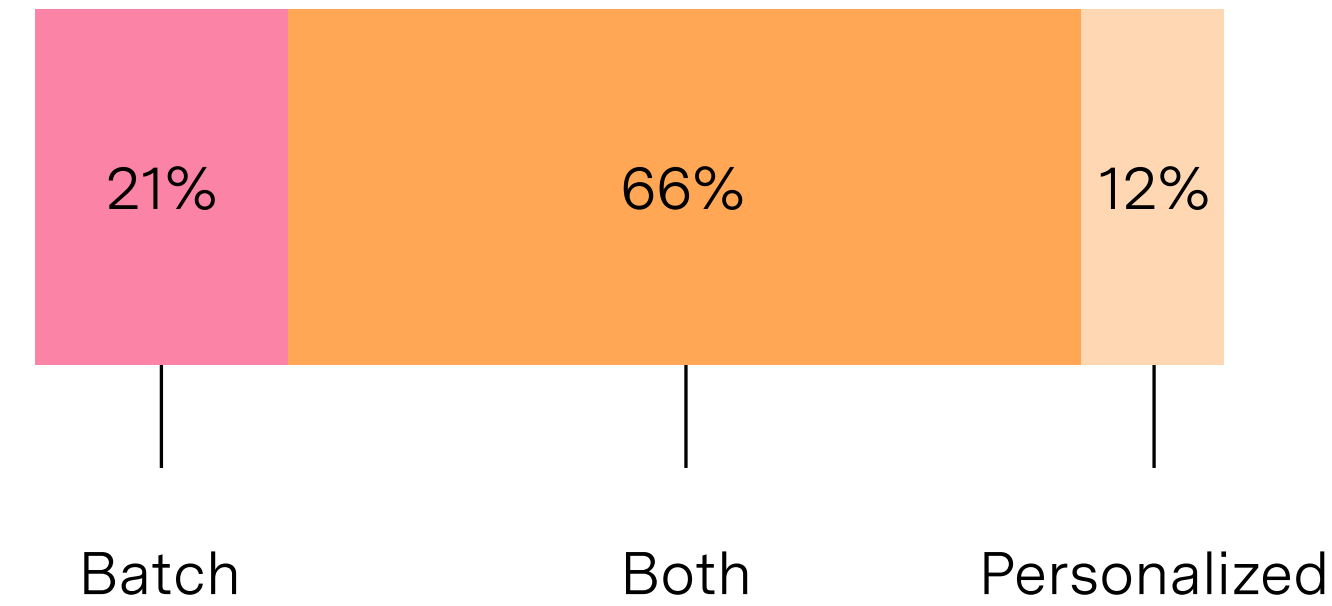


Direct mail
channels,
formats, and
mail types

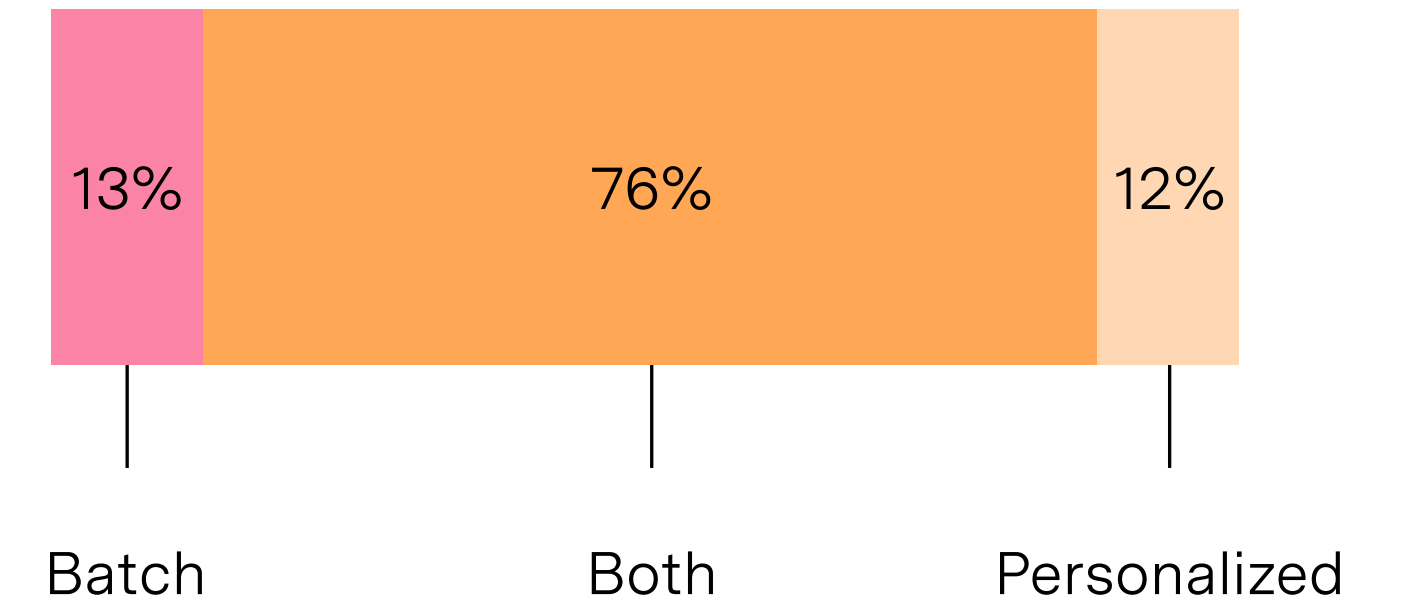


Marketers that sent **both** batch and **personalized** campaigns increased 10% percentage points year-over-year to **76%**.

TYPES OF DIRECT MAIL SENT 2023



TYPES OF DIRECT MAIL SENT 2024



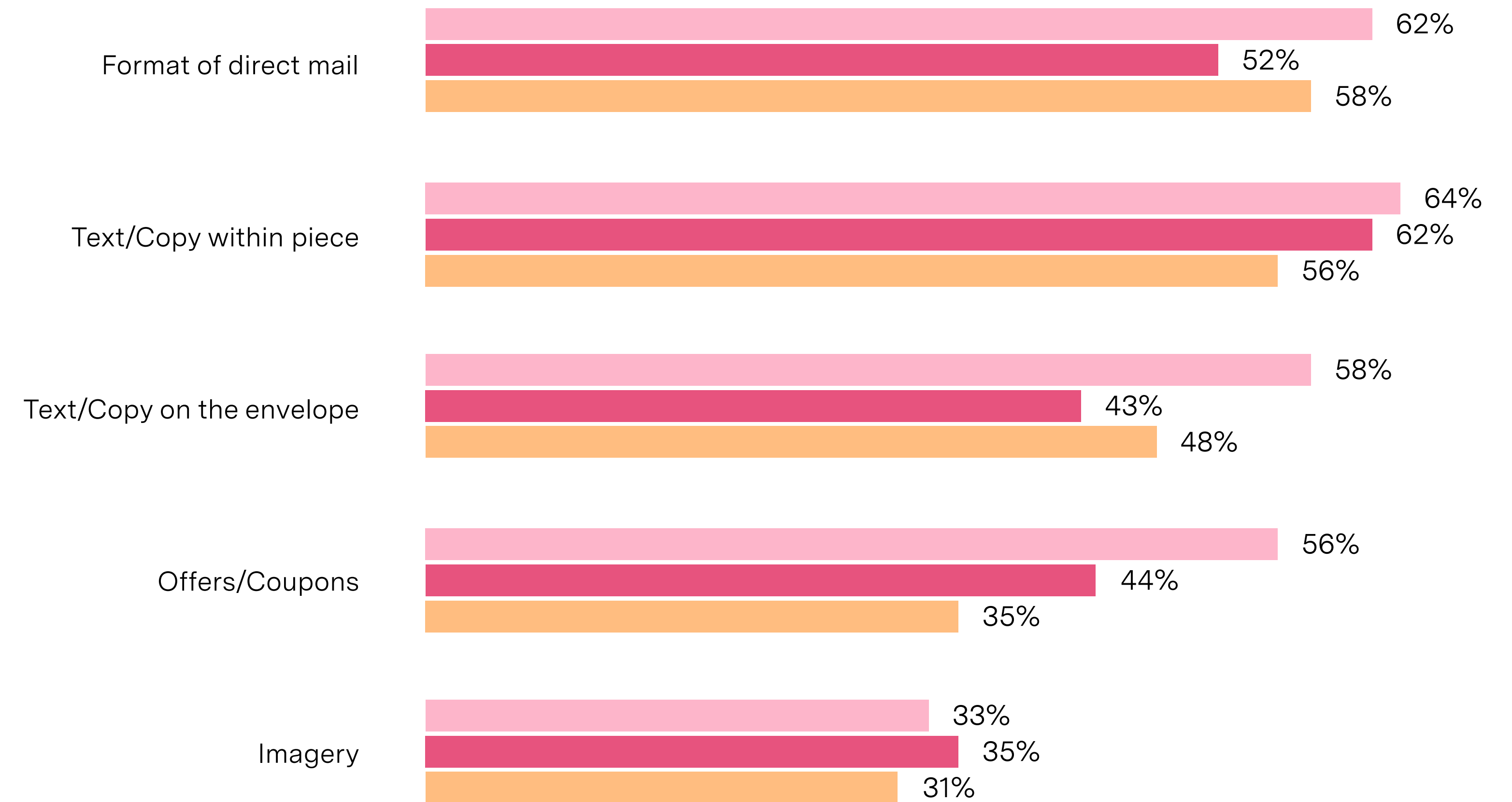
Base: n=250 for 2023; n=250 for 2024

Q: Which of the below types of direct mail does your company send? (Please select one response)

Personalization is on the rise, with offers/coupons and text/copy on envelopes seeing the largest increase in customization year-over-year.

PERSONALIZED COMPONENTS OF DIRECT MAIL

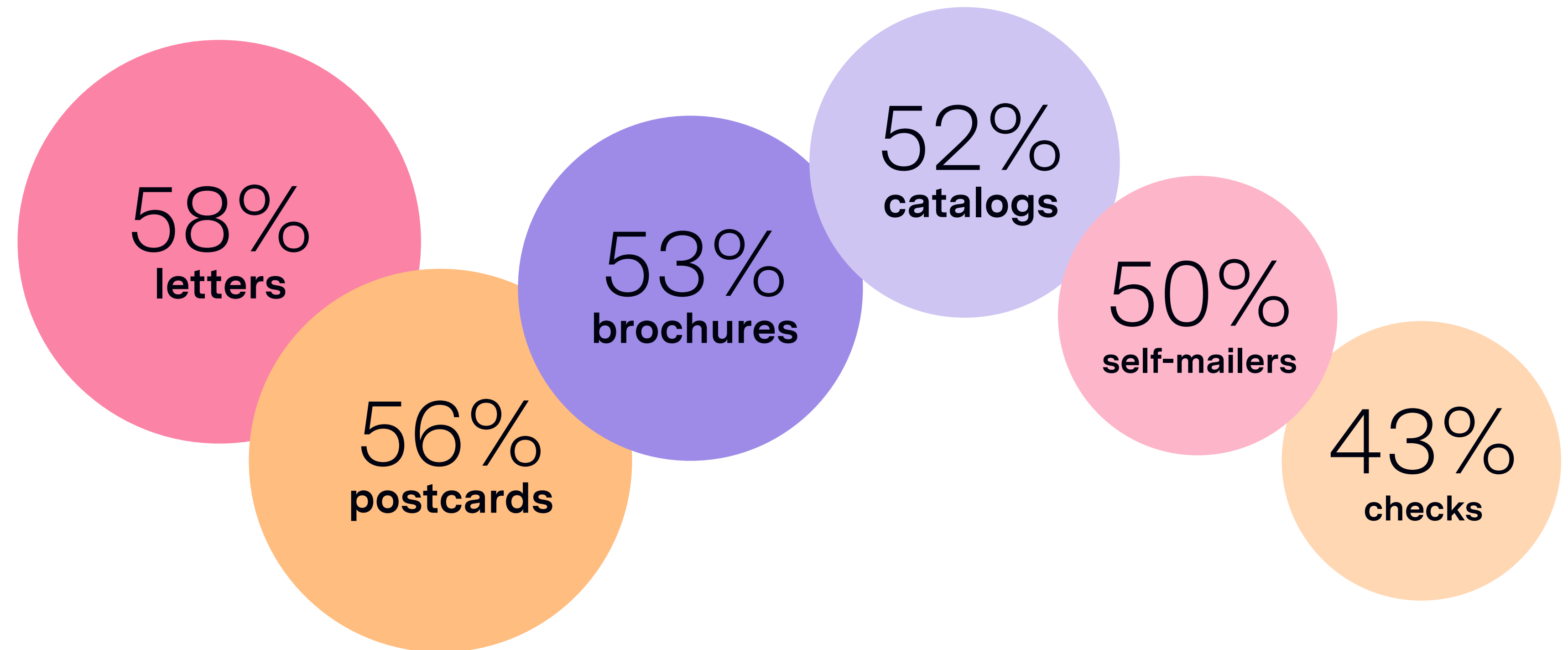
2024 2023 2022



Base: Among 'Personalized/Both' n=150 for 2022; n=195 for 2023; n=218 for 2024
 Q: What direct mail do you customize/personalize for recipients? (Please select all that apply.)

Letters and postcards are the most popular direct mail format sent by respondents followed closely by brochures, catalogs, self-mailers, and checks.

DIRECT MAIL FORMATS



Over half of
**direct mail is
dedicated to
marketing.**

58%

average percent of
direct mail that is
marketing

(e.g., promotions, advertisements)

42%

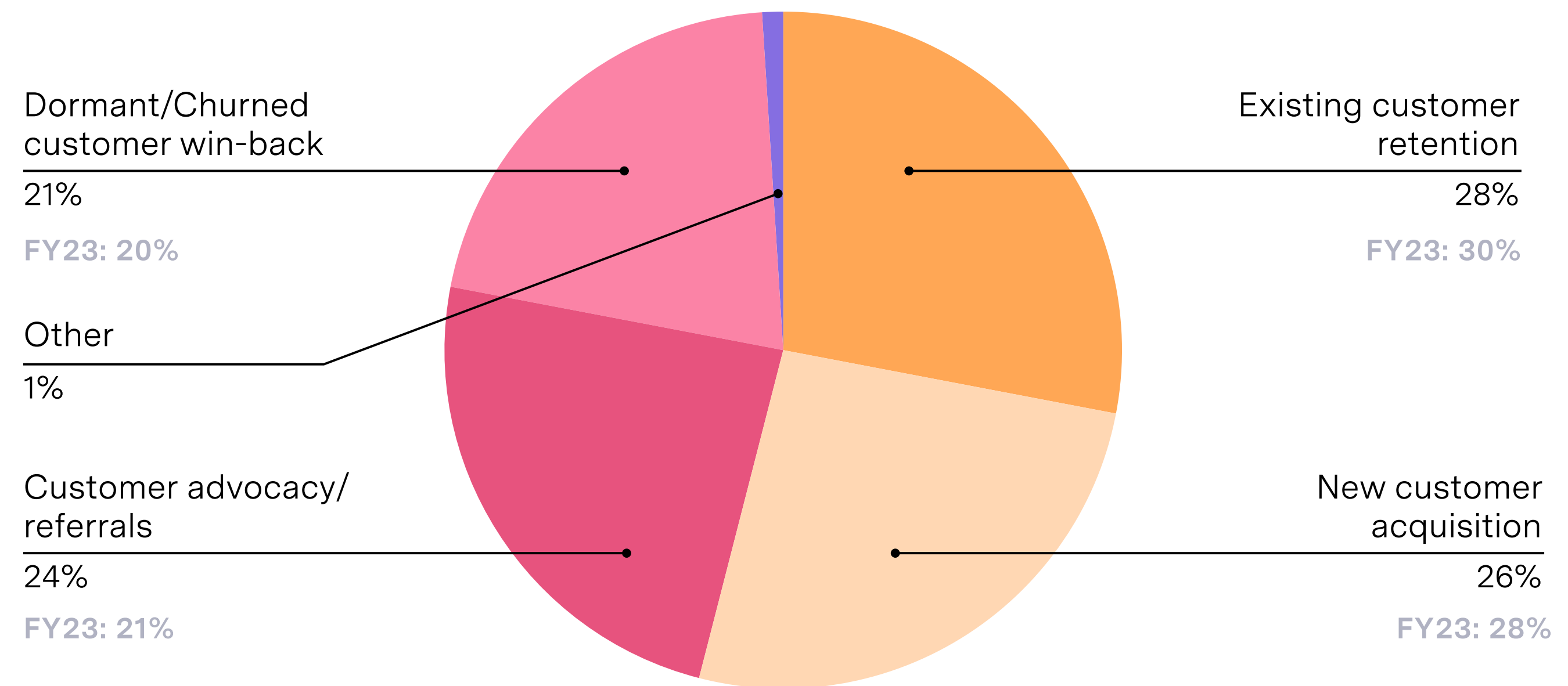
average percent of
direct mail that is
operational

(e.g., account management,
notifications)



Customer retention and acquisition campaigns account for **50%** of campaign sends. Campaign type by volume remained flat compared to last year.

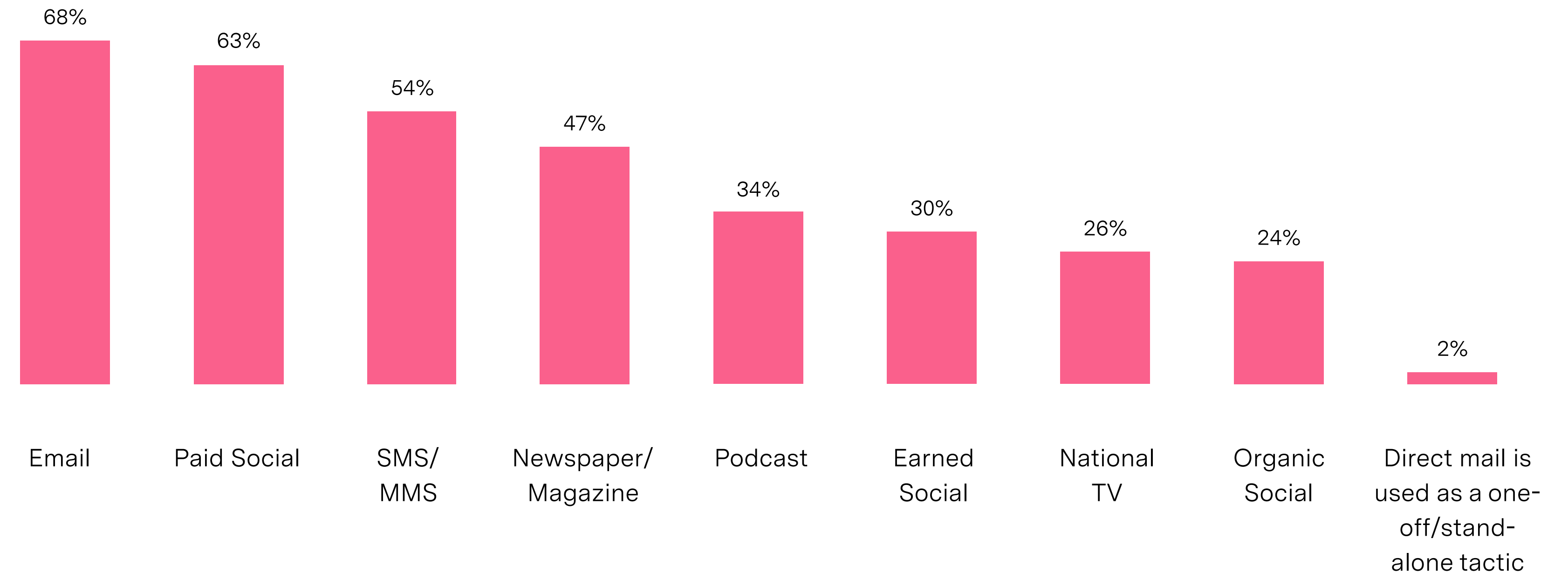
CAMPAIGN TYPE VOLUME



Base: Total N=250
 Q: Approximately what percentage of your company's total mail volume is used for each of the campaign types below? (Answers must equal 100)

Direct mail is fully integrated with digital channels as only 2% of marketers use it as a stand-alone tactic, down from 7% in 2023.

OTHER CHANNELS USED ALONGSIDE DIRECT MAIL

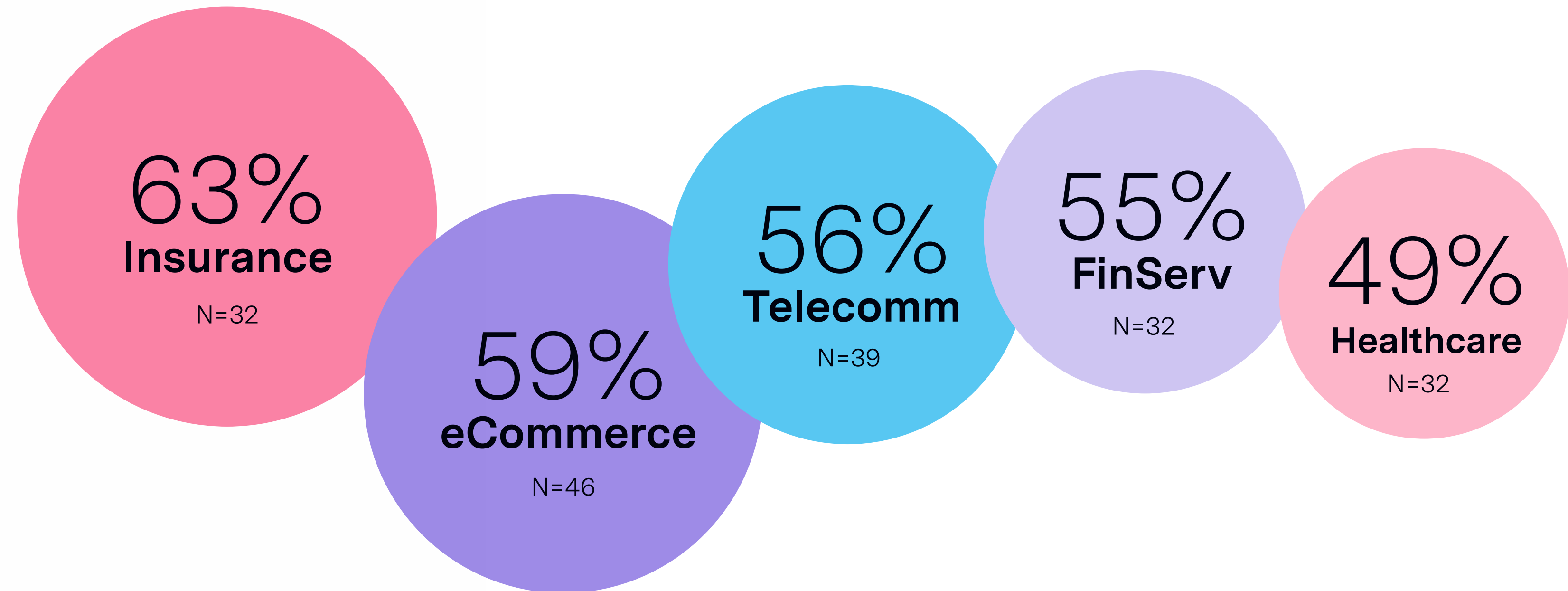


Industry *overview*



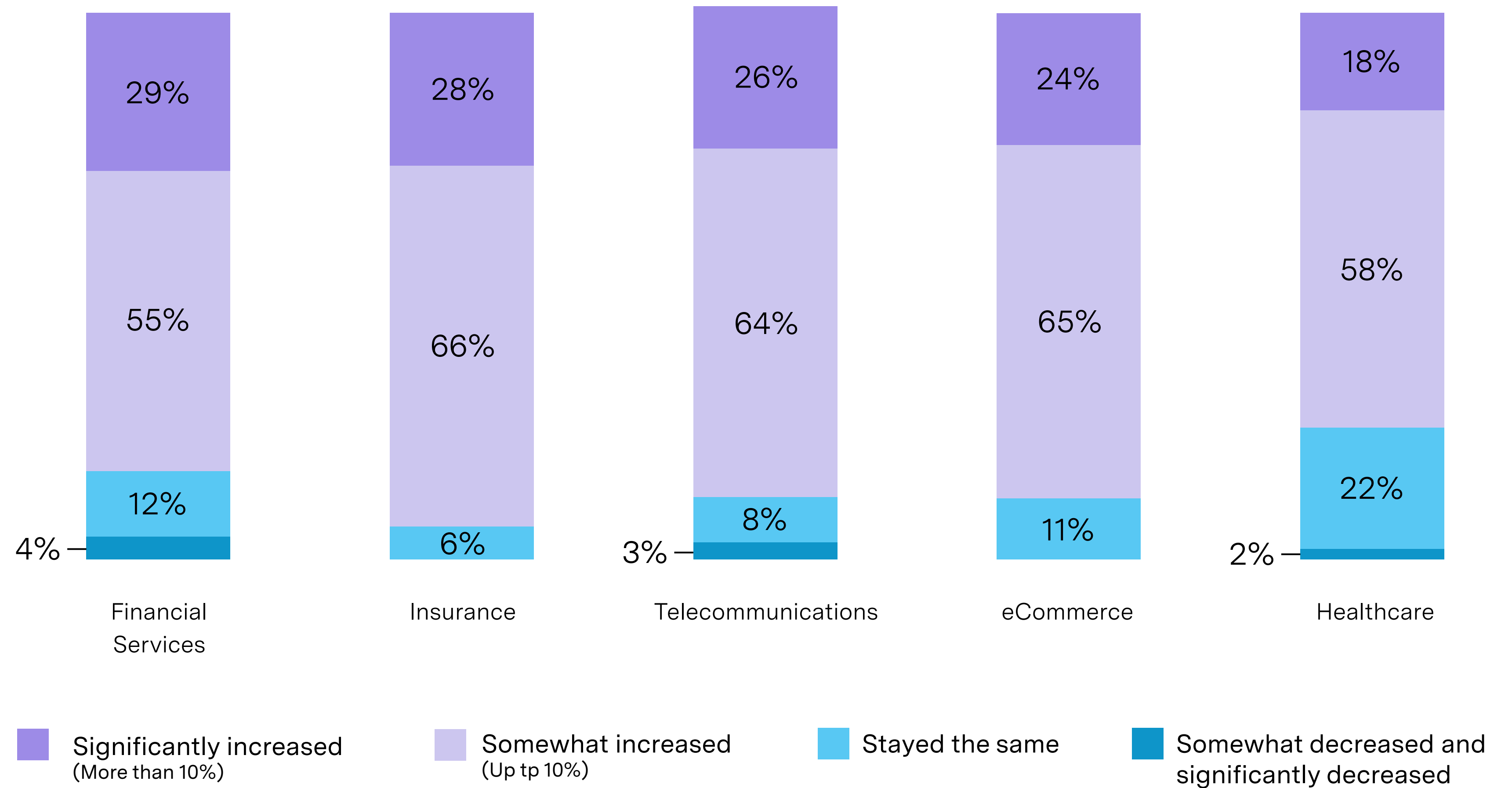
Insurance leads the way in the use of direct mail automation platforms to execute campaigns.

USE OF DIRECT MAIL AUTOMATION PLATFORMS BY INDUSTRY



Insurance showed the largest increases in marketing budget followed closely by Telecomm & eCommerce.

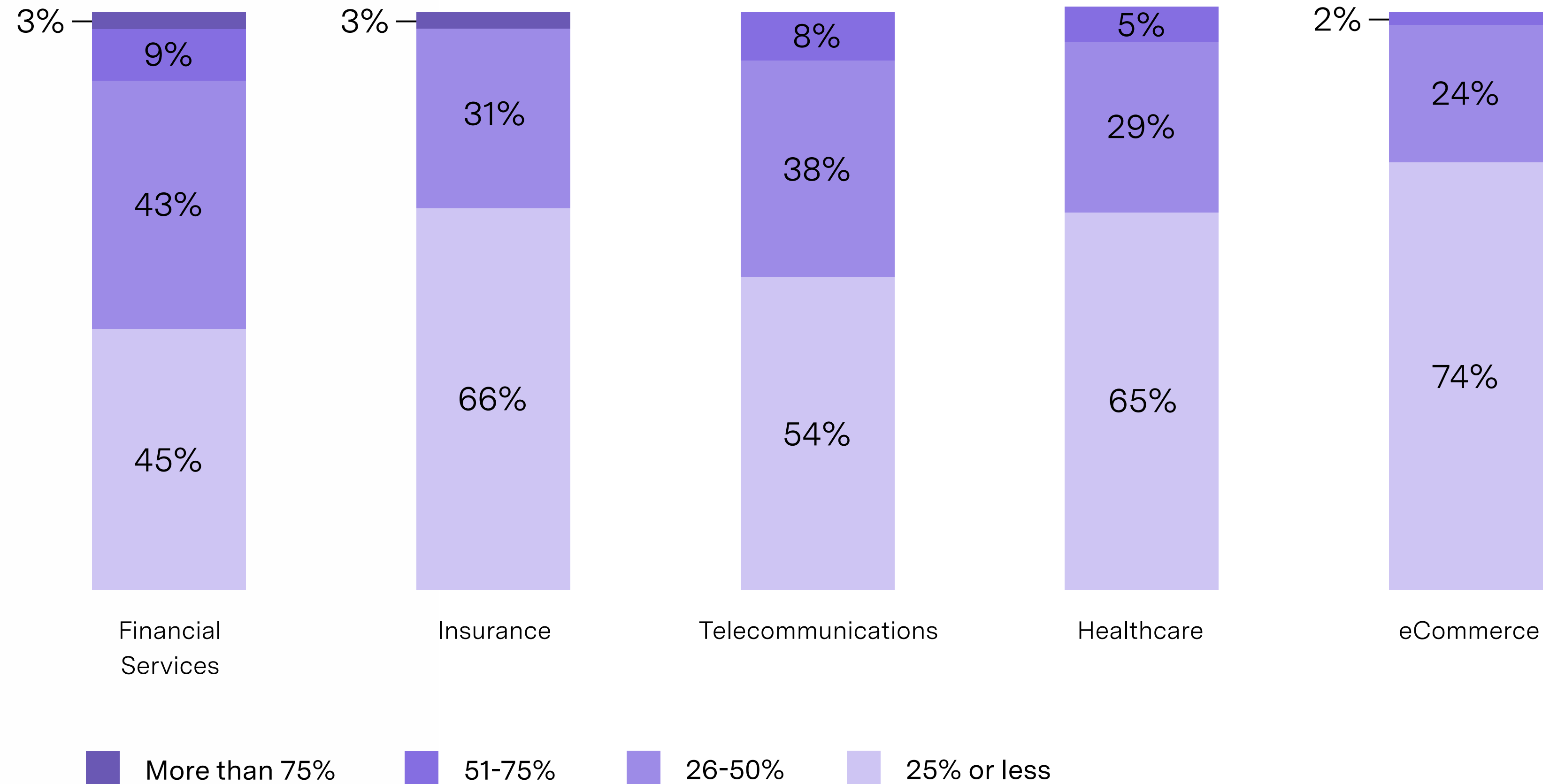
2024 YEARLY MARKETING BUDGET COMPARED TO 2023 BY INDUSTRY



Base: Total N=250
 Q: How has your company's 2024 yearly marketing budget changed compared to 2023? (Please select one response.)

Financial Services has the greatest allocation of marketing budget to direct mail, with 12% spending greater than half of the overall budget.

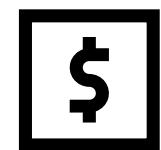
PERCENTAGE OF MARKETING BUDGET ALLOCATED TO DIRECT MAIL BY INDUSTRY



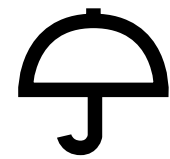
Base: Total N= 250, Financial Services N=76, Insurance N=32, Healthcare N=55, Telecommunications N=39, eCommerce N=46
 Q: Approximately what percentage of your marketing budget is allocated to direct mail?



Access exclusive **State of Direct Mail Marketing Industry Insights** as a valuable addition to the State of Direct Mail data.



Financial Services/
Banking



Insurance



Telecomm



eCommerce



Healthcare



Conclusion

The 2024 State of Direct Mail Marketing illuminates several key findings that underscore the enduring significance of the channel. Direct mail remains unparalleled in terms of ROI, delivering the highest returns compared to all other marketing channels. The channel also generates superior response and conversion rates, cementing its position as a formidable player in the marketing landscape.

A noteworthy trend is the ongoing increase in investment by marketers in direct mail, showcasing their confidence in the channel's potential. Equally promising is the fact that marketers express satisfaction with their data, affirming its effectiveness in

executing successful direct mail campaigns. This satisfaction is driven by data's dual role in campaign personalization and optimization, signifying a data-centric approach that is here to stay.

Lastly, the growth in adopting direct mail automation platforms demonstrates a commitment to enhancing operational efficiency to make the channel as efficient and profitable as possible. As we navigate the ever-evolving marketing landscape, this report serves as a valuable resource for marketing professionals and leaders, offering actionable insights to harness the full potential of direct mail marketing in 2024 and beyond.

Lob

Lob's mission is to connect the world, one mailbox at a time.

Lob is the only direct mail automation platform for the digital age. Lob's platform automates the direct mail execution process for enterprises at any scale — from creation, printing, postage, delivery, and sustainability with end-to-end analytics and campaign attribution. Over 12,000 businesses trust Lob to transform their direct mail into intelligent mail.

Founded in 2013 and based in San Francisco, Lob is venture-backed by Y Combinator, Polaris Partners, Floodgate, and First Round Capital.

Find out more at [Lob.com](https://lob.com)



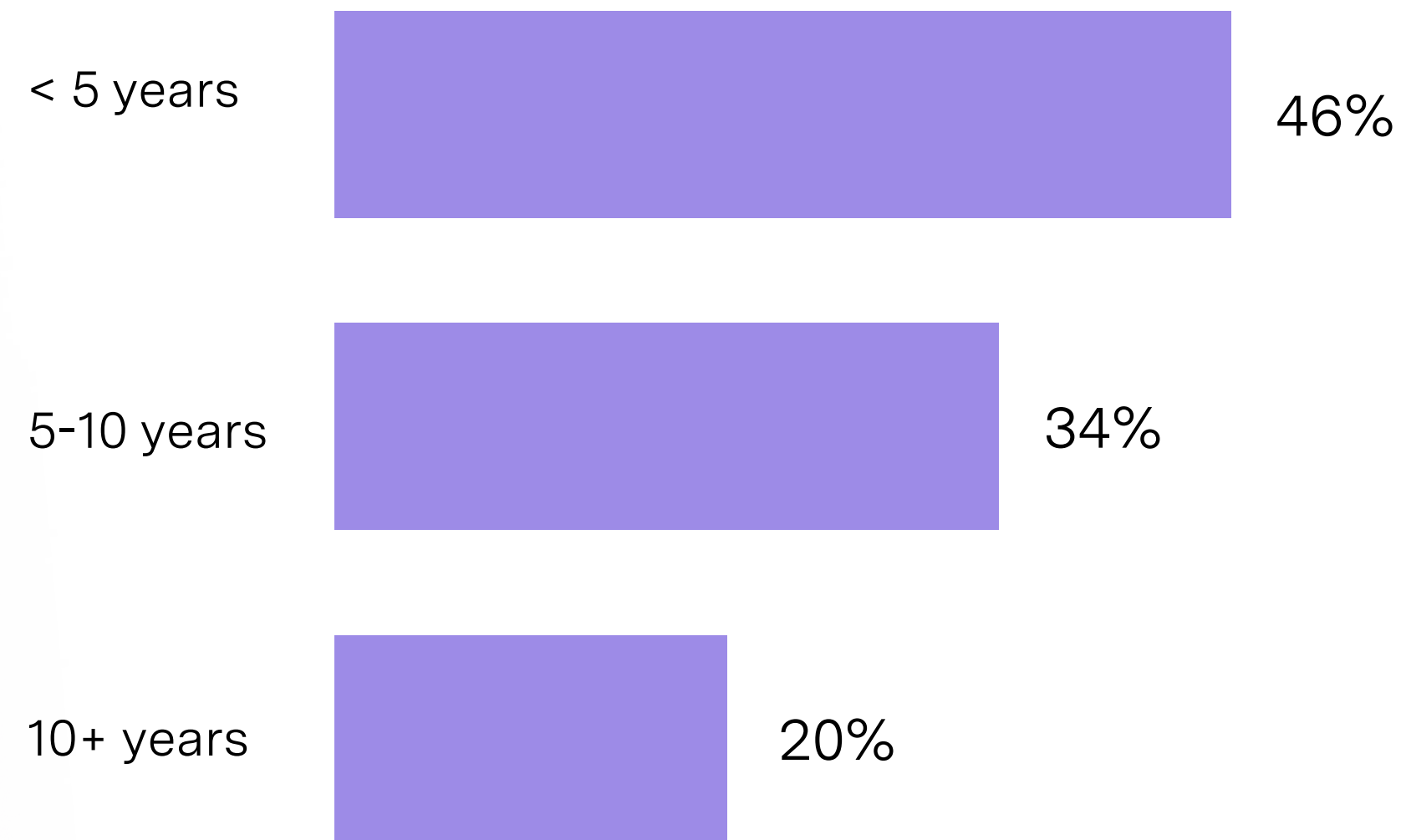
Comperemedia is an industry-leading competitive intelligence agency serving the United States and Canada. A Mintel company, Comperemedia provides solutions for marketers through omnichannel intelligence tools, expert insights, and custom consulting services.

Addendum



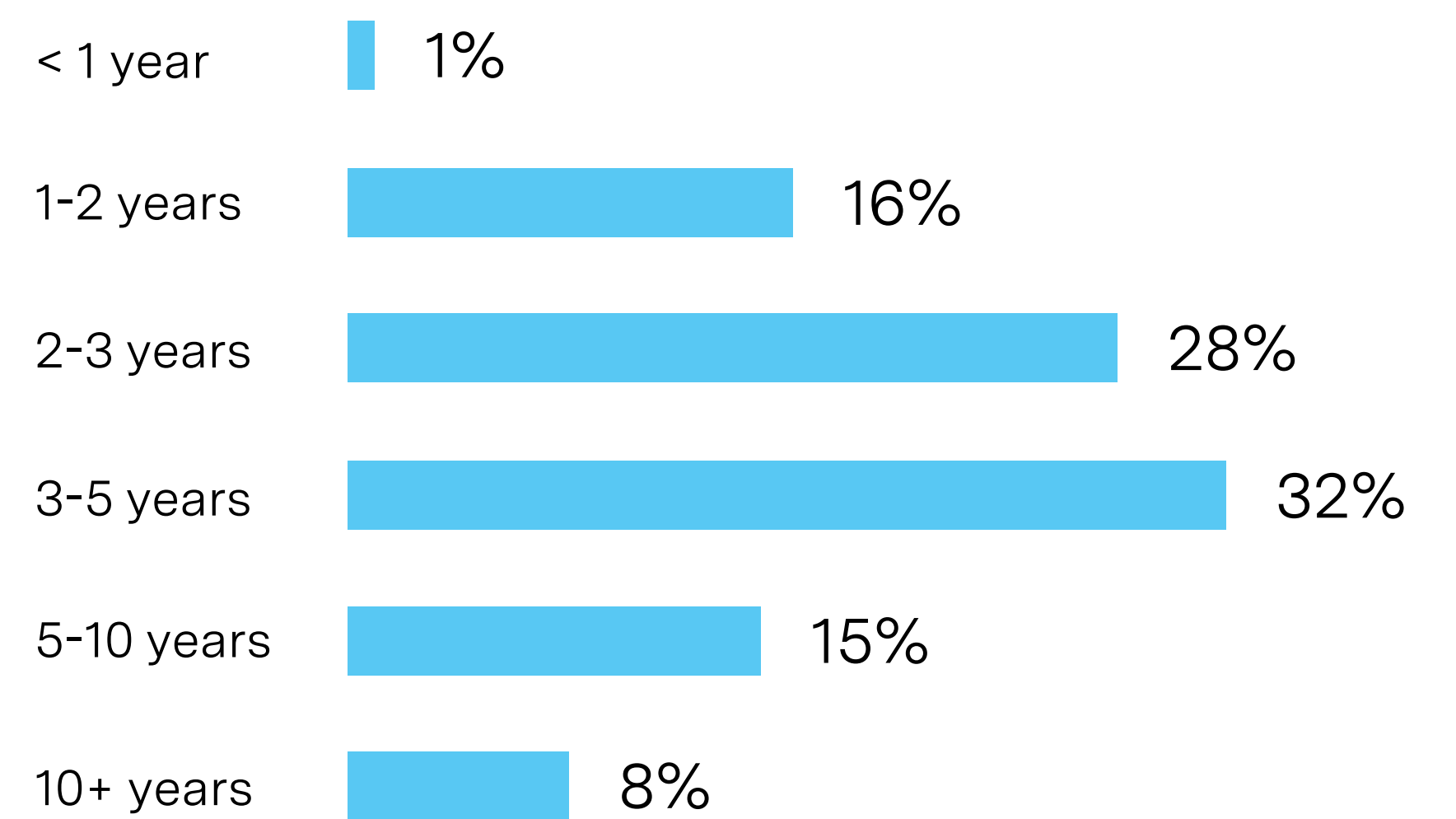
Over half of respondents have over 5 years of experience in direct mail.

DIRECT MAIL EXPERIENCE AT ANY COMPANY



Just over half of the professionals surveyed have been **working with direct mail campaigns for over 5 years.**

DIRECT MAIL EXPERIENCE AT CURRENT COMPANY



What's more, 55% have **3 years or more experience** in direct mail at their **current company.**

Direct mail is often owned by a dedicated marketing team or email/digital marketing team.

DIRECT MAIL CHANNEL OWNERS

