

# The Power of Retail Media and Mail

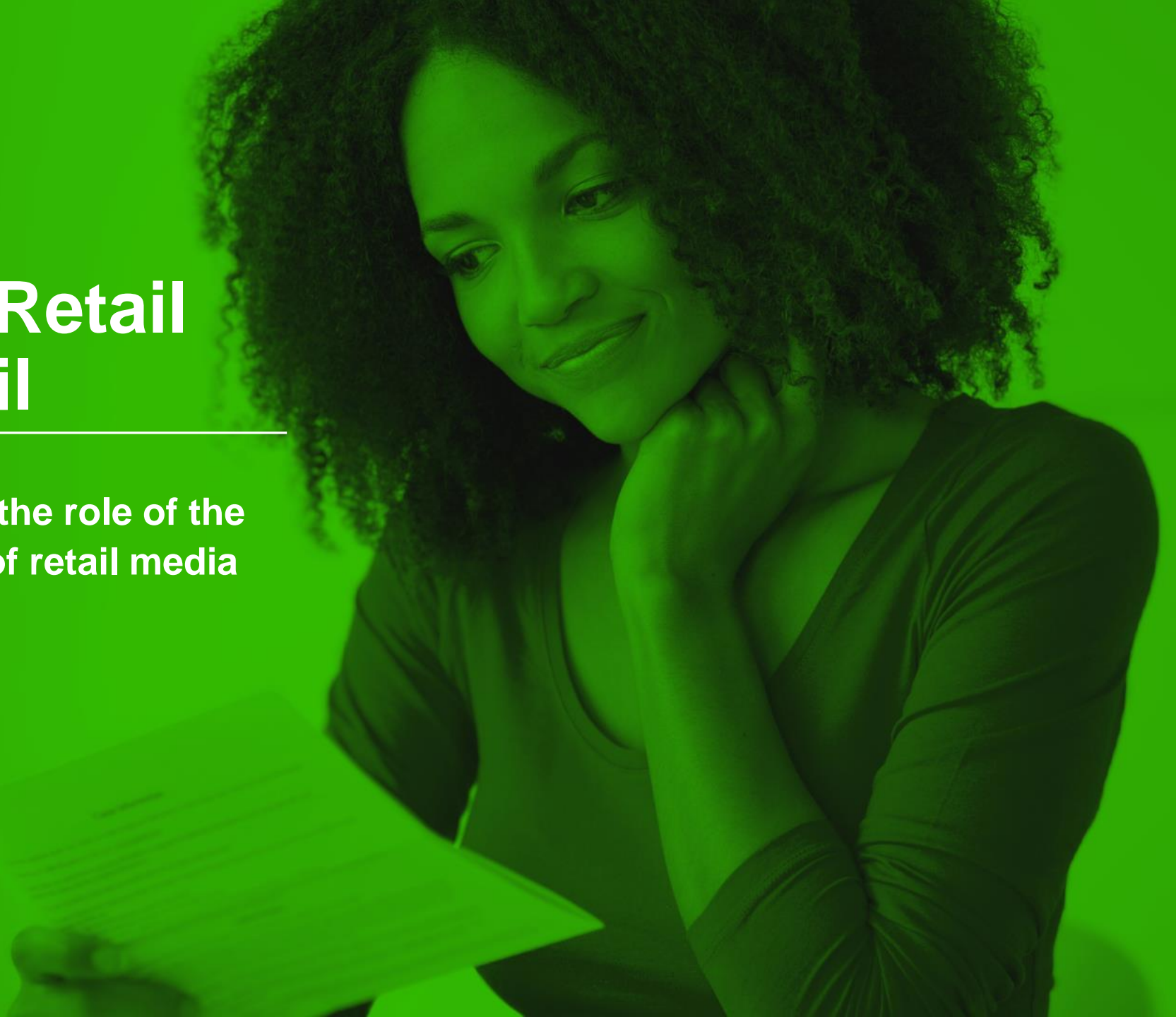
---

A JICMAIL perspective on the role of the mail channel in the world of retail media

April 2024



Mail Media Metrics



# JICMAIL: who we are

---



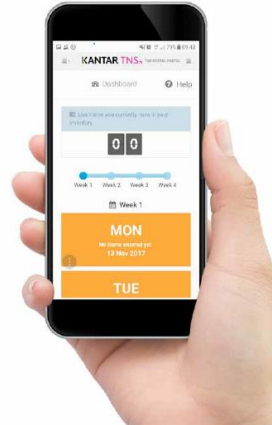
# Who accesses our data?



# Curating three mail data sets

1.

The JICMAIL Panel: 1,000 households, mail R&F and effectiveness



**KANTAR**

2.

Response Rate Tracker:  
2,300 campaigns, response, ROI, AOV and CPA

13 Industry Organisations

3.

COMING SUMMER 2024:  
Circulation Data

 **Nielsen**



## Cookie-pocalypse

3<sup>rd</sup> party cookie tracking switched off for 1% of Google Chrome users in Q1 2024.  
100% by 2025:

**Retail Media provides new targeting opportunities.**



## Platform Power

Google, Meta and Amazon account for two thirds of ad revenue globally:

**Retail Media Networks provide a credible non-walled-garden alternative.**



## Declining Loyalty

Customer loyalty in a downward spiral due to over-use of short-term marketing strategies:

**Retail Media provides the means to build loyalty throughout the customer-journey.**



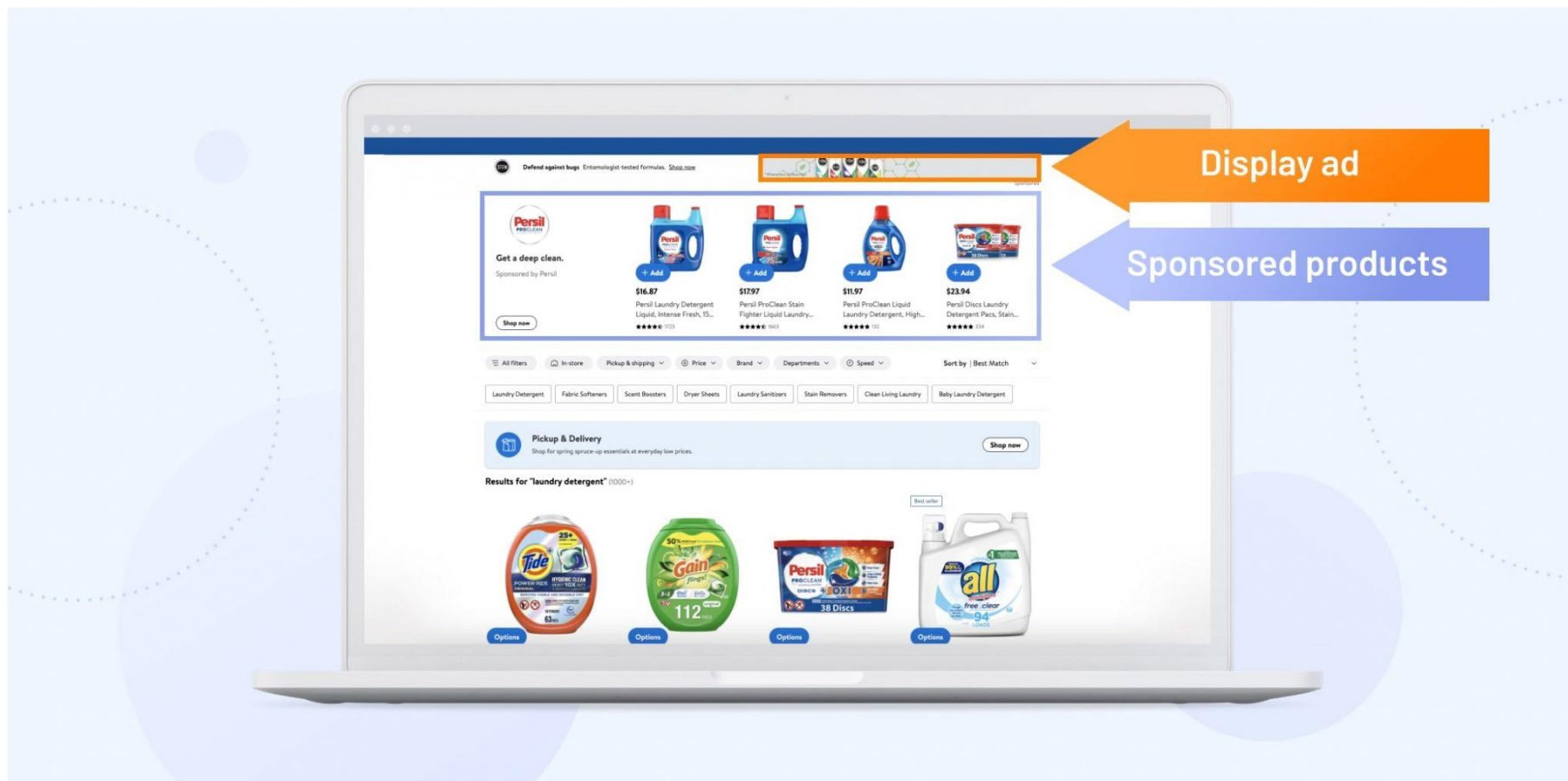
# What is Retail Media?

**JIC  
MAIL**

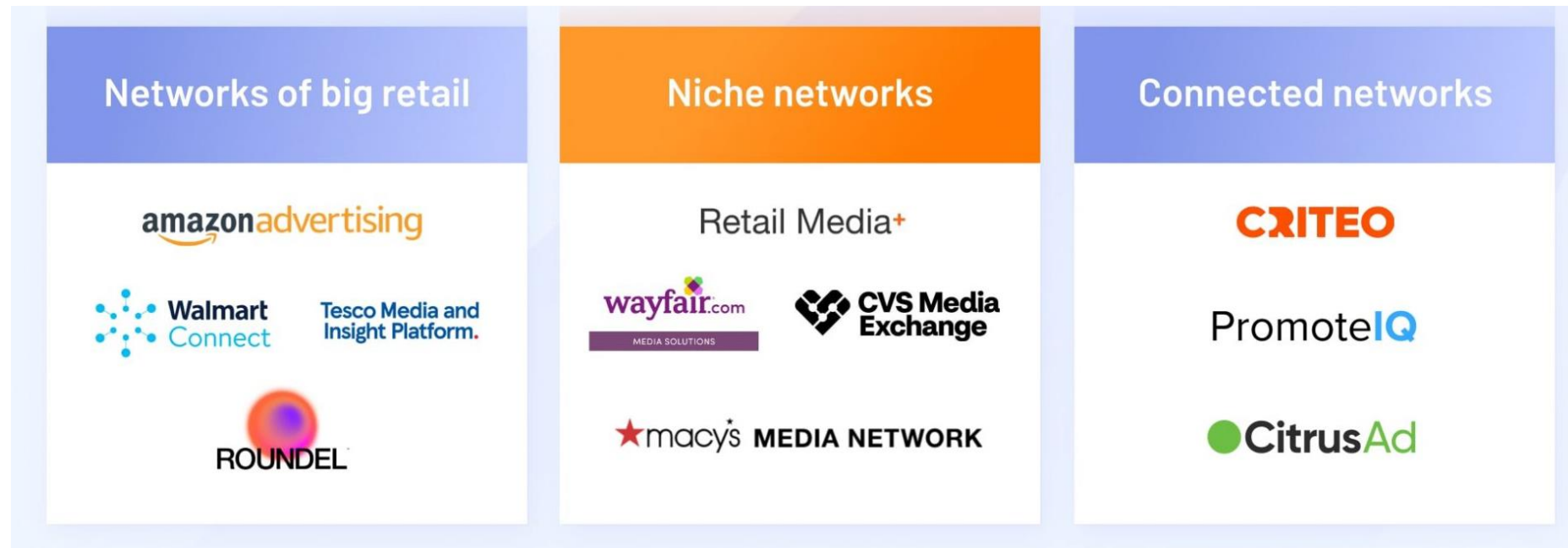
Mail Media Metrics



# Deploying retailer physical and digital ad inventory using retailers' first party data

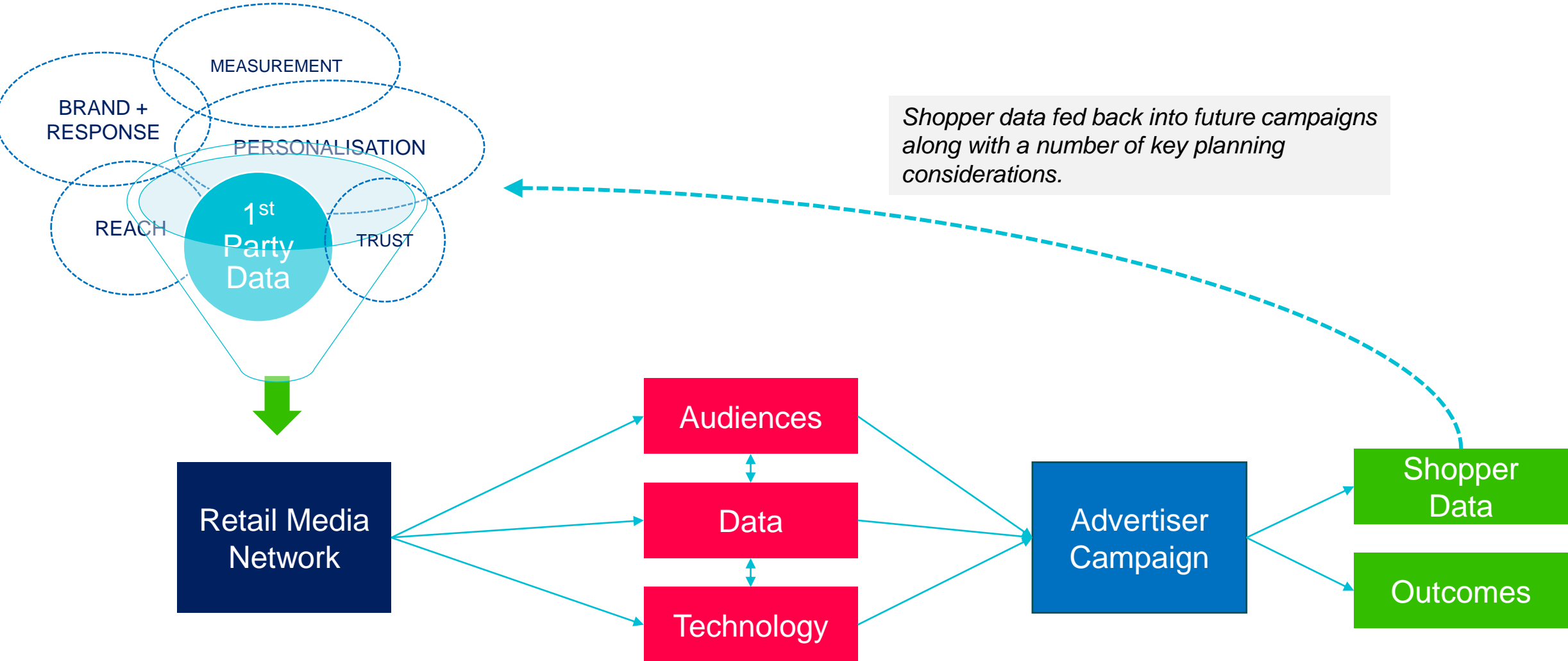


# Open networks of retail media inventory and closed walled gardens all occupy the retail media ecosystem



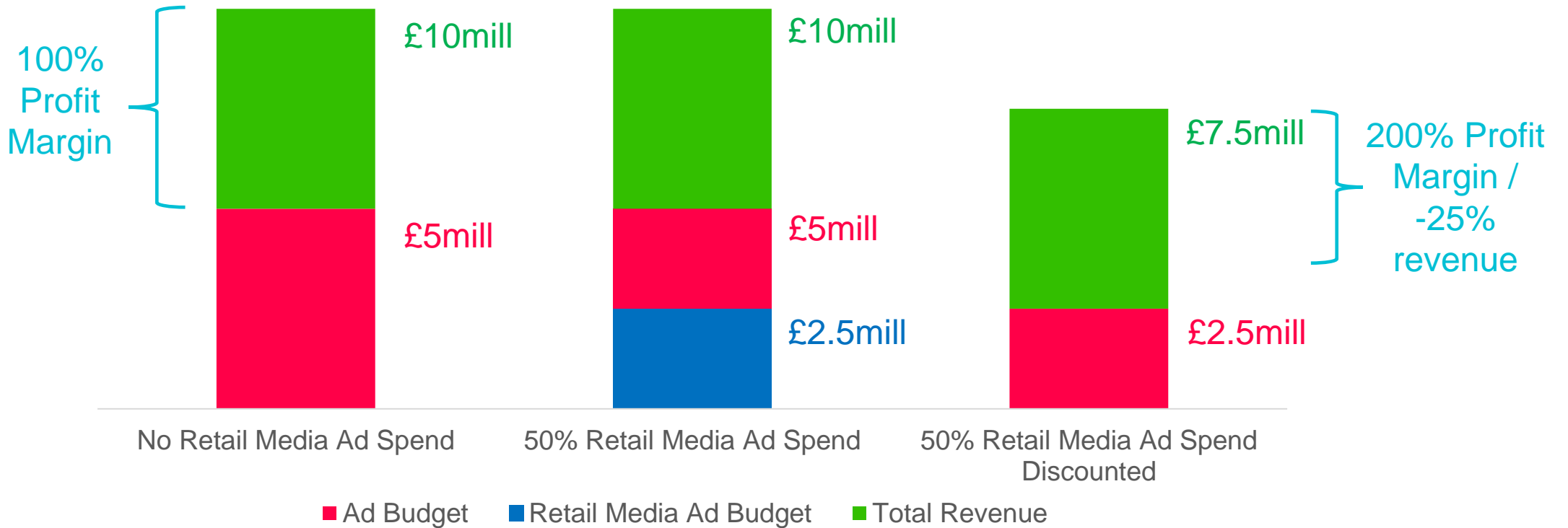


# How Retail Media works



# Why accountants (might) like Retail Media

Retail Media ad spend should be discounted against revenue generated from the same retailer



# Why Mail matters for Retail Media

1. **SELLERS:** While Retail Media Networks have a highly effective channel backed up by permissioned data at their disposal, ad mail significantly boosts their commercial proposition to advertisers.
2. **BUYERS:** Advertisers will want to ensure every penny of their ad budgets devoted to retail media is fully optimised to maximise performance. Demanding ad mail as part of a retail media buy ensures performance.



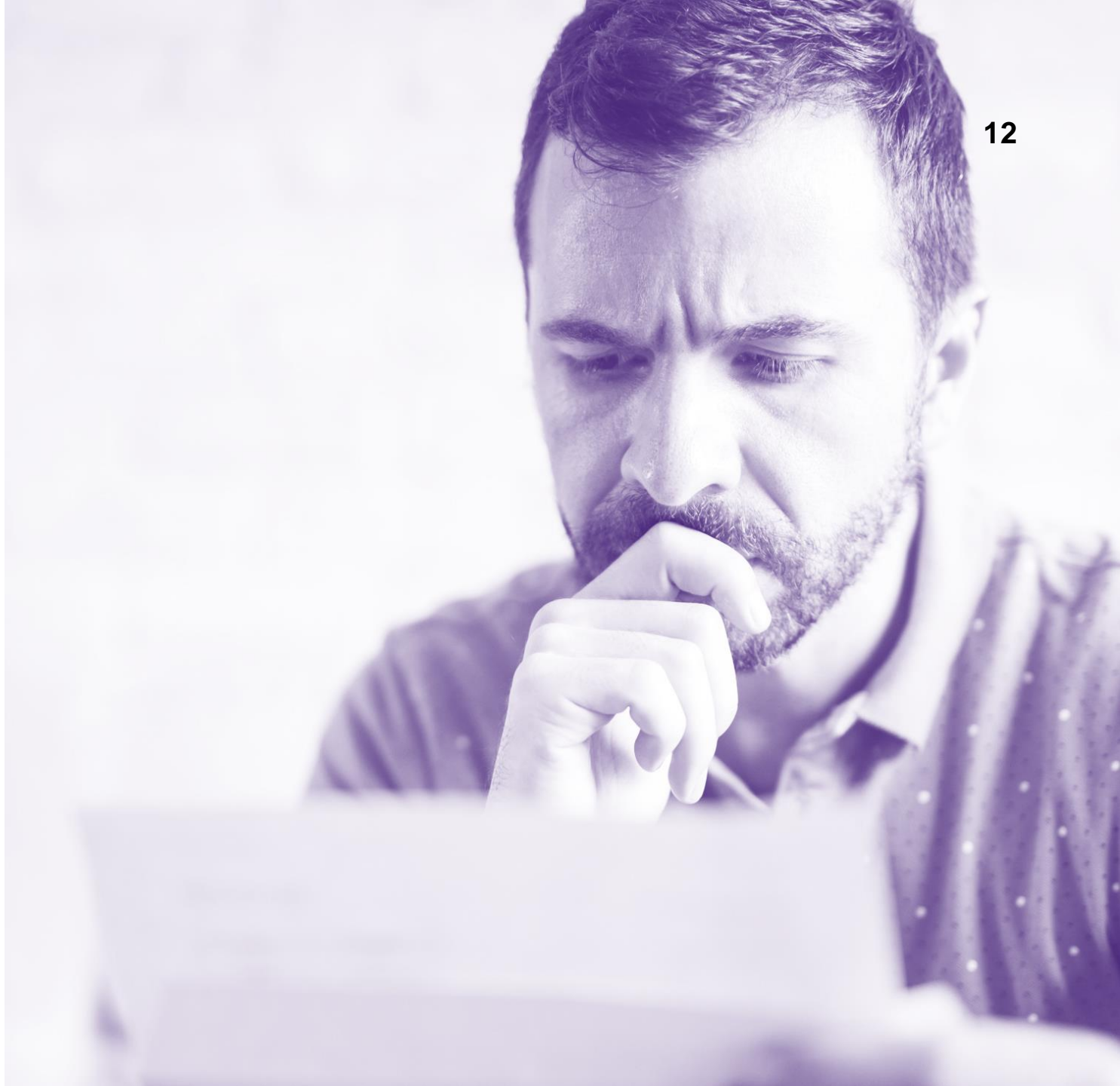
## In other words...

---

Mail can play a crucial role in expanding the off-site coverage of retail media, while boosting effectiveness for advertisers.

**JiC  
MAIL**

Mail Media Metrics



# Six reasons why Ad Mail should be part of a Retail Media Network's offering



Mail Media Metrics



# Six reasons why Ad Mail should be part of a Retail Media Network's offering

---

14

---

Maximise Reach **1**

---

Maximise Effectiveness **2**

---

Top and Lower Funnel Effects **3**

---

Non-Endemic Opportunity **4**

---

Abandoned Shopper Carts **5**

---

Trust **6**

---





---

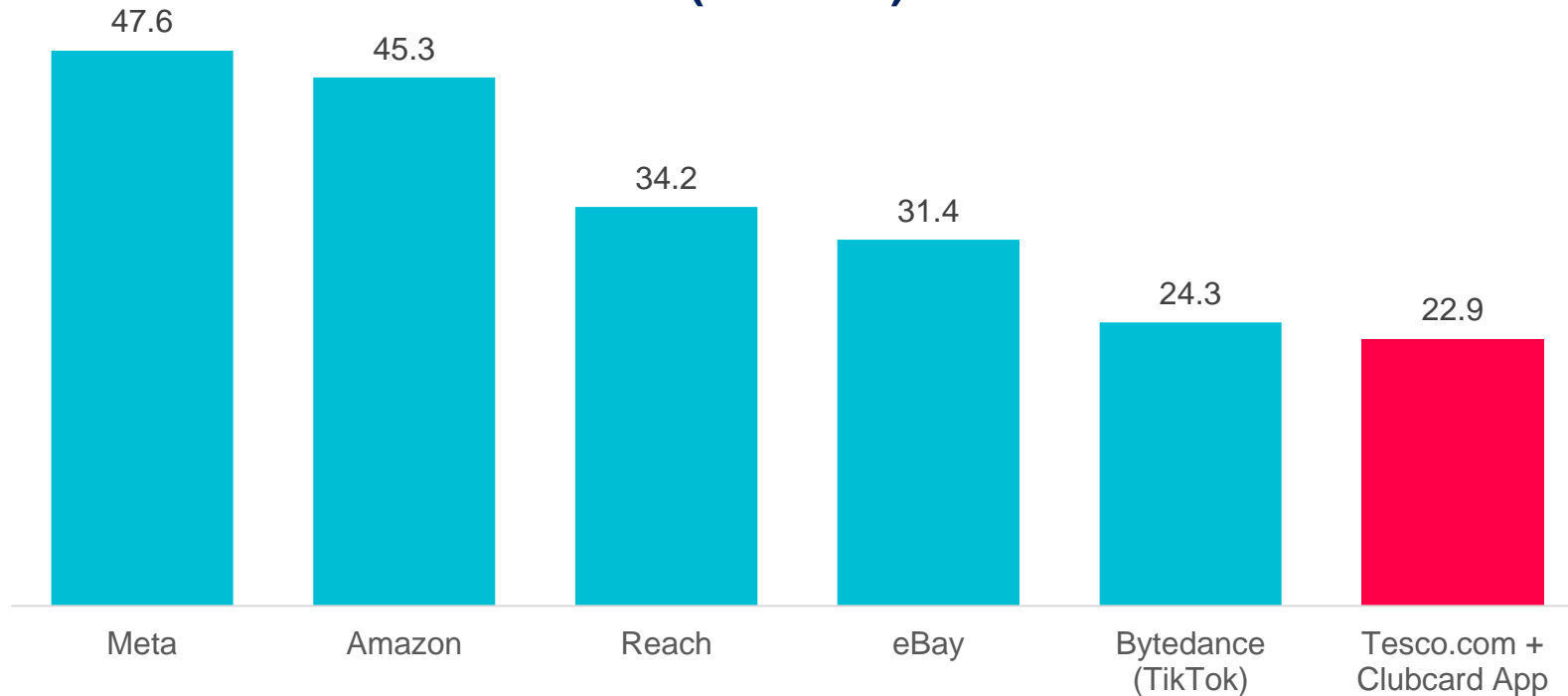
# 1. Maximise Reach



Mail Media Metrics

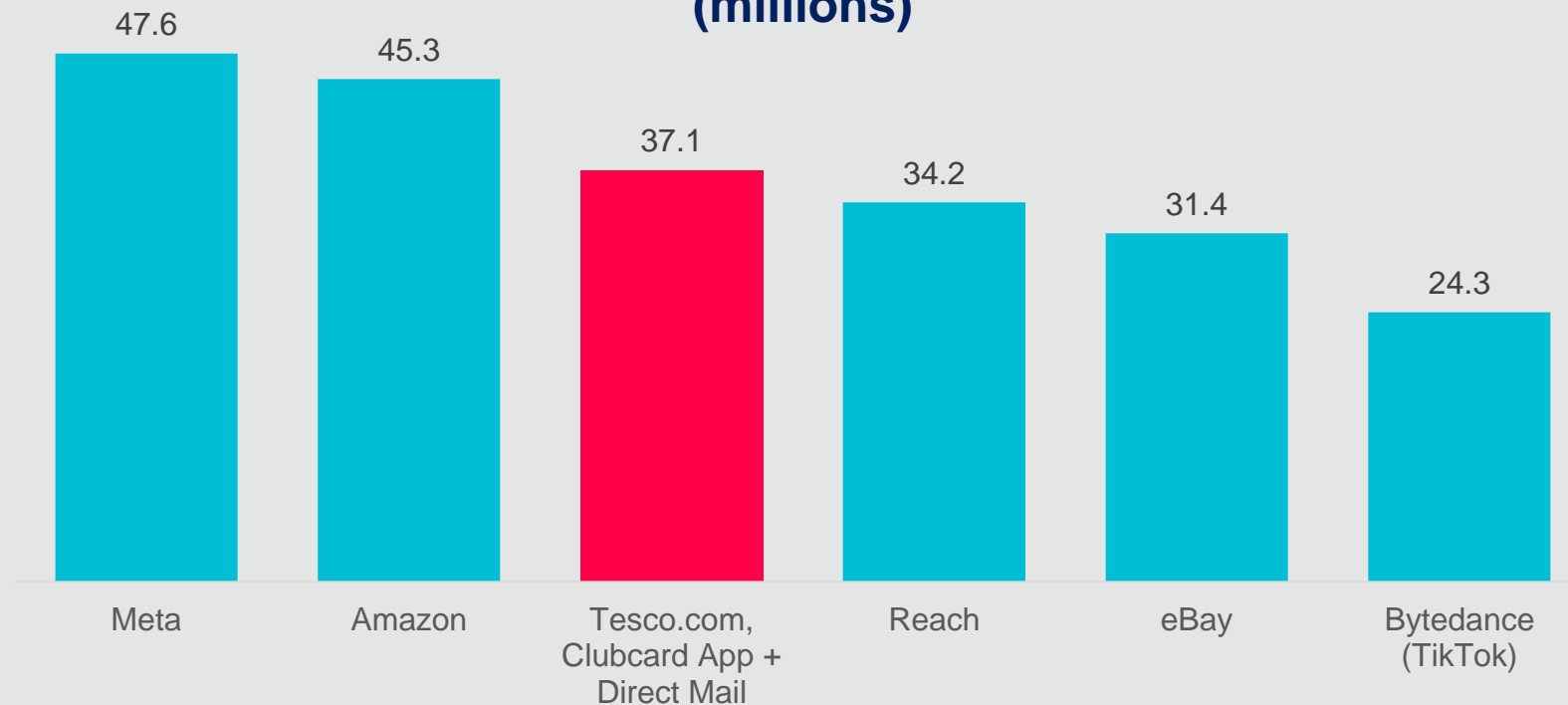
# The Challenge: Even the largest Retail Media Network struggles for reach against the big tech platforms

All Adult Monthly Reach: selected top UK websites (millions)



# Why Mail? Significant reach increase achievable with Direct Mail on the media plan

All Adult Monthly Reach: selected top UK websites (millions)



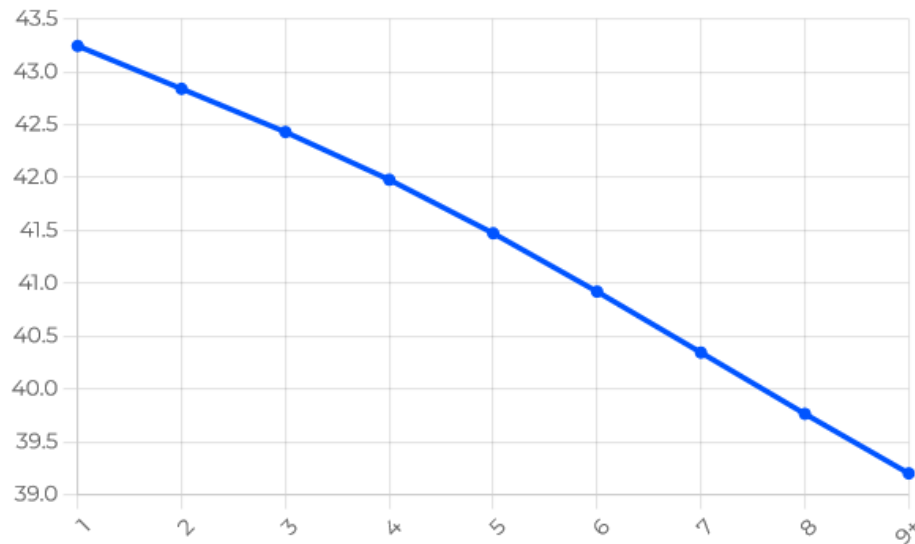
Mail Media Metrics

Source: Touchpoints 2023, UKOM Dec 2023

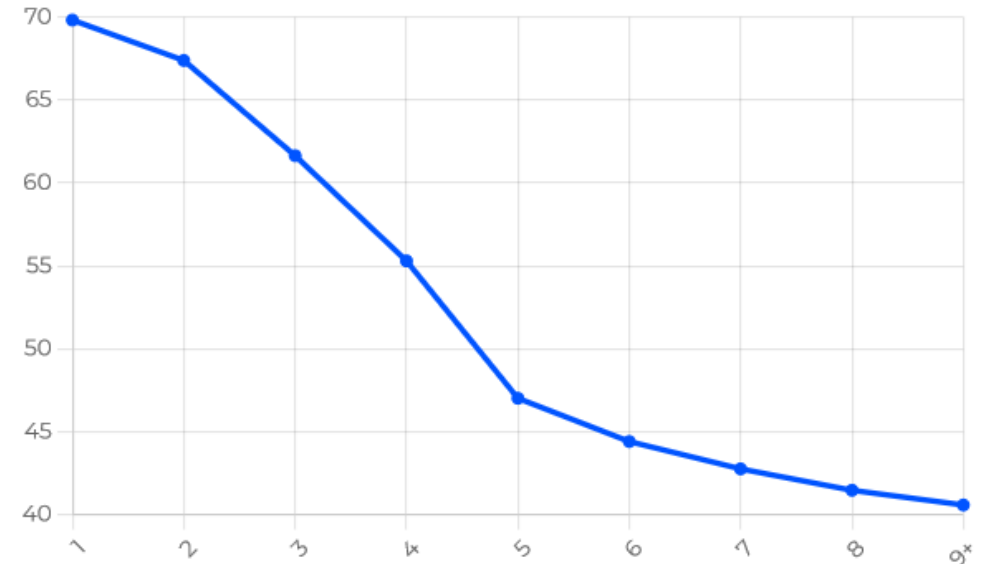
Tesco reach assumes maximum campaign reach in Touchpoints across website, app and DM (21 million items)

# Why Mail? The inclusion of mail also brings down excessive campaign frequency of exposure

### All Adult Reach: Tesco.com + Clubcard App



### All Adult Reach: Tesco.com + Clubcard App + DM



Reached At Least %

---

## 2. Maximise Effectiveness



Mail Media Metrics

# The Challenge: Performance marketing effectiveness is on the decline and CPAs are increasing

20

RESEARCHLIVE


NEWS 12 MAY 2023

## MARKETING EFFECTIVENESS DROPS ALMOST TWO-THIRDS IN TWO YEARS

NEWS TRENDS UK

[f](#) [t](#) [in](#) [✉](#) [🖨](#) [💬](#)

UK – Short-term performance marketing effectiveness has fallen 62% over the past two years, according to the Data & Marketing Association (DMA).





About/Buy MarketingWeek Search Menu

## Increased pressure is driving marketers to focus more on performance

*Amid a difficult environment, brands are faced with tough decisions regarding where they direct their marketing budgets.*

**Recommended**

 Why developing a marketing effectiveness culture is 'an ongoing process'

 Four experts on the 'laws and loopholes' of achieving marketing effectiveness

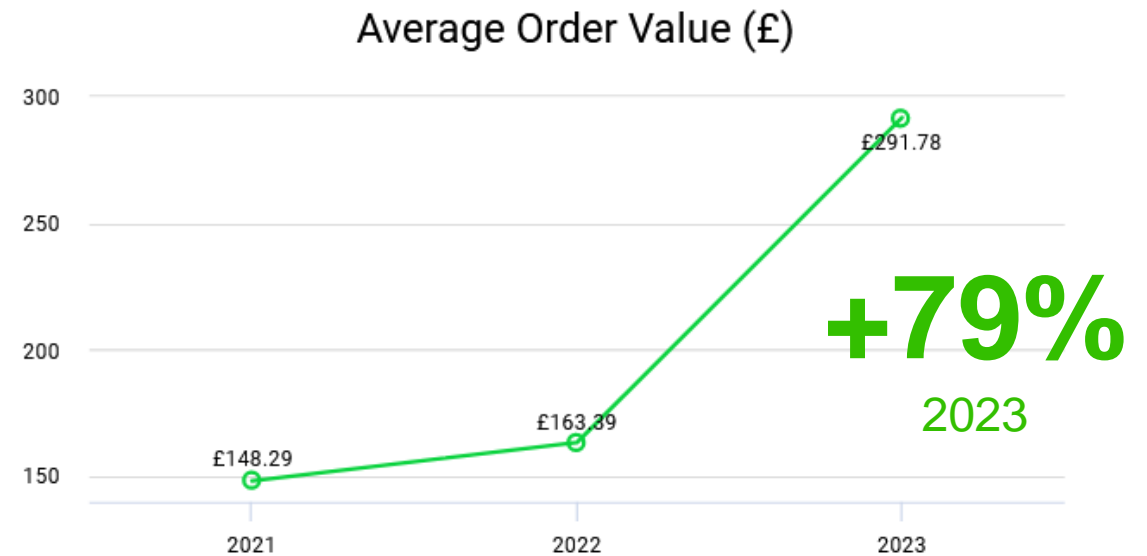
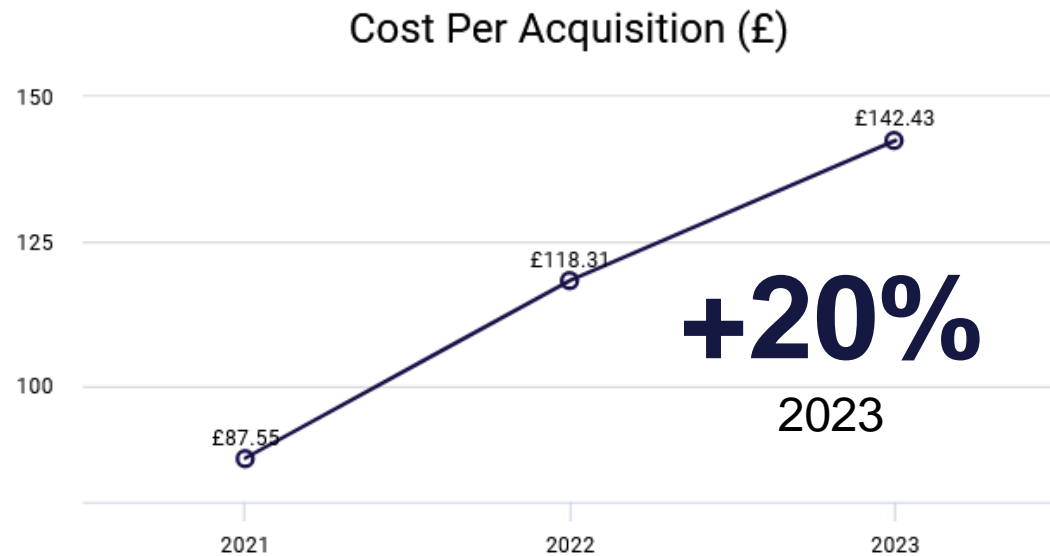


# Why Mail? Mail effectiveness has been on a growth trajectory in 2023 and can be used to maximise performance

Effectiveness of Direct Mail sent by Supermarkets  
(% of items driving action)



# Why Mail? Cold Retail Mail CPAs might be increasing, but Average Order Value is growing four times faster

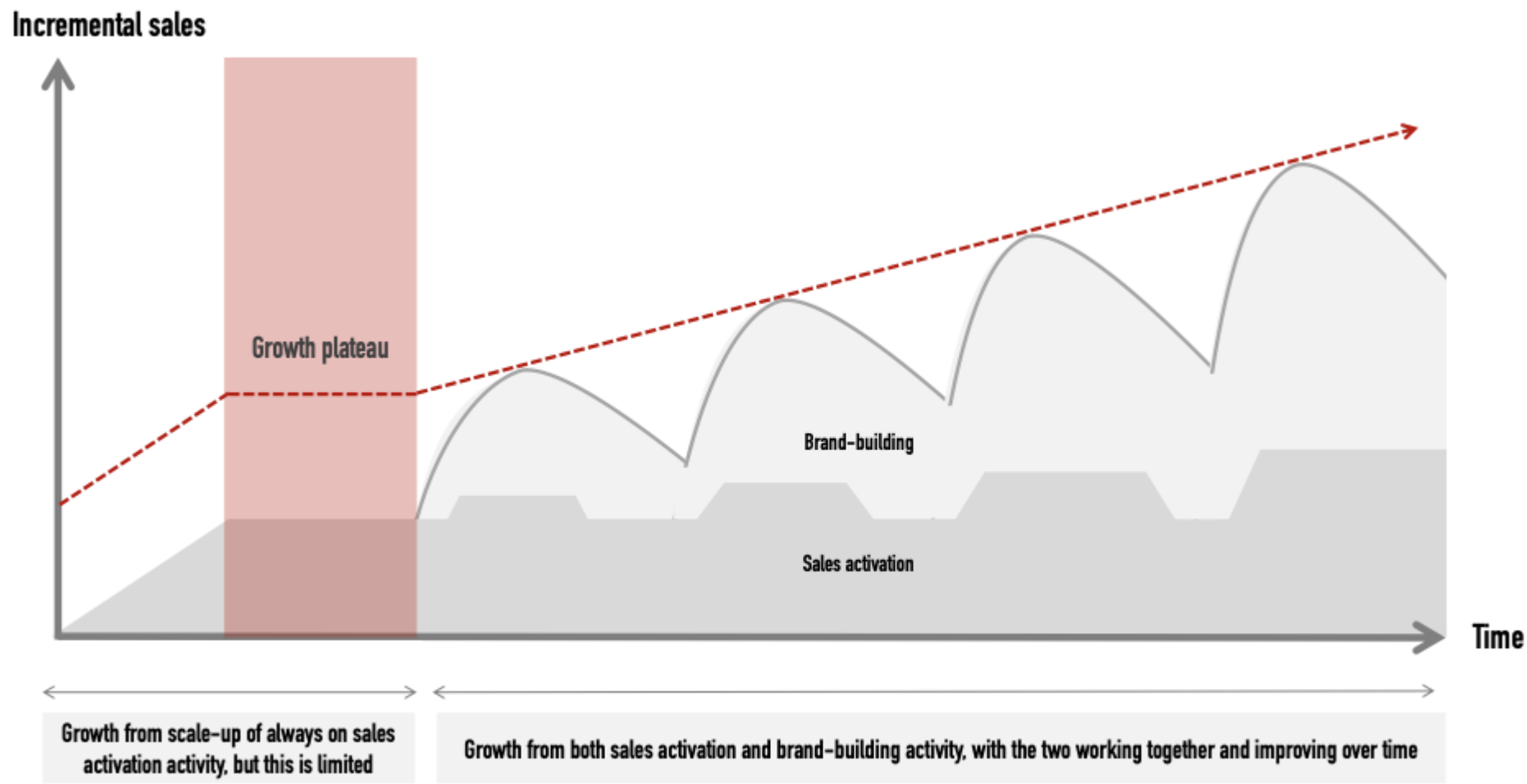


---

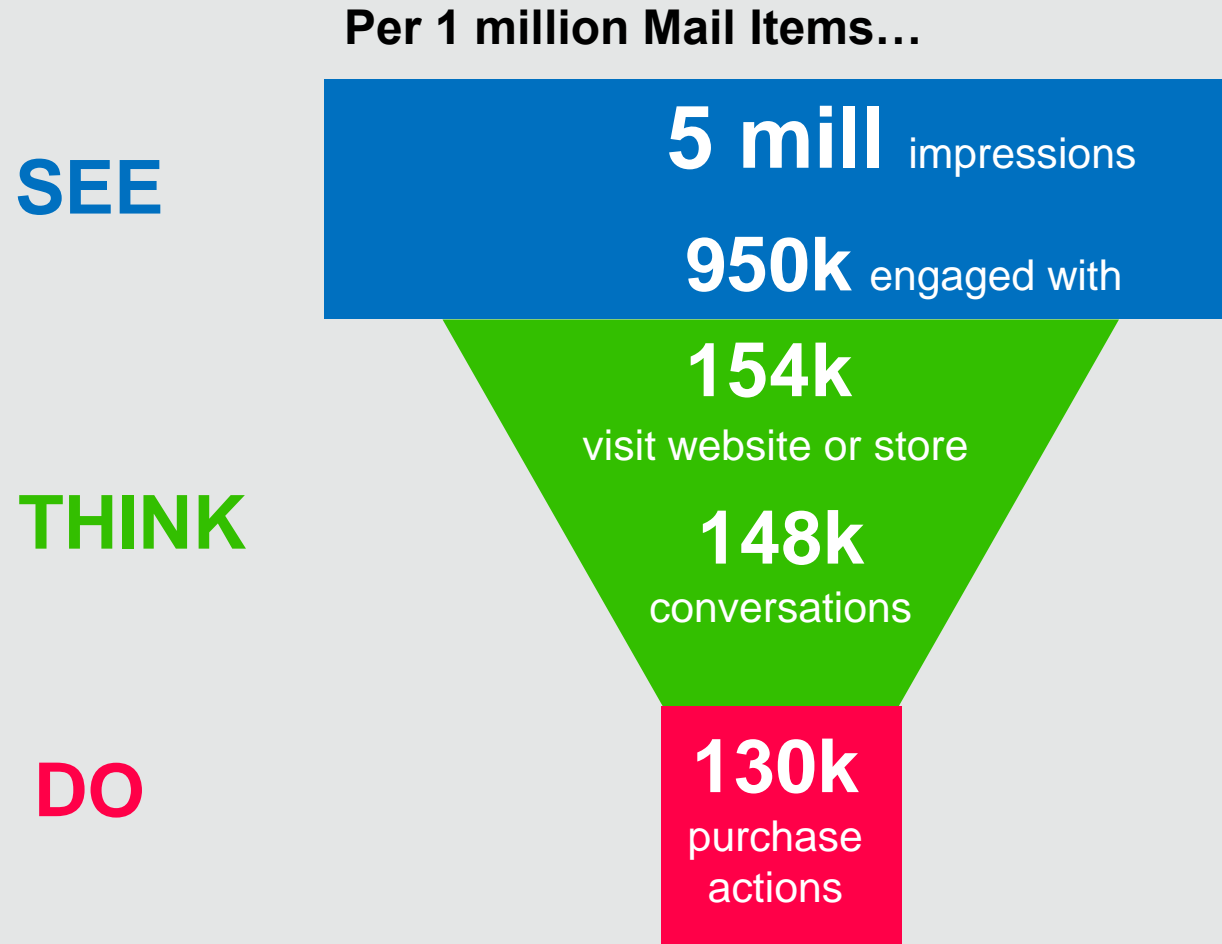
# 3. Top and Lower Funnel Effects



# The Challenge: Investing in activation-only channels will result in a growth plateau for advertisers



# Why Mail? Mail is a channel for helping your clients achieve activation *and* upper funnel KPIs



---

## 4. The Non-Endemic Opportunity



Mail Media Metrics



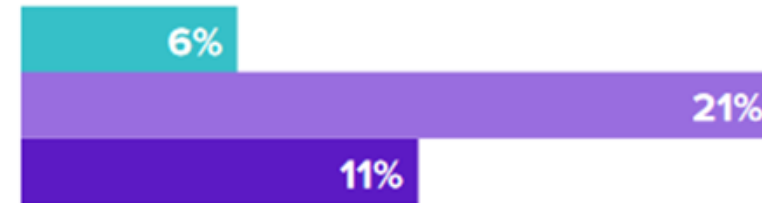
# The Challenge: Is UK retail media making the most of the non-endemic opportunity?

Endemic	Non-Endemic
	
<p>Endemic brands sell their offerings through retailers with whom they advertise.</p> <p>E.g. CPG brands (food, beverage, health, beauty) advertise with a grocery retailer <b>and</b> sell their products in the grocer's stores.</p>	<p>Non-endemic brands do <b>not</b> sell their offerings through retailers with whom they advertise.</p> <p>E.g. Financial services, travel, telecom, horse racing, healthcare, automotive, small office/home office goods brands advertise with a grocer.</p>
	

What is the largest opportunity for your digital retail media business?

UK  CAN  US 

Provide a way to partner with non-endemic vendors



# Why Mail? Audiences exposed to multiple advertiser categories via mail pay more attention to mail overall

## Time spent with average Direct Mail item (seconds)



*In a given week, audiences exposed to.....*



---

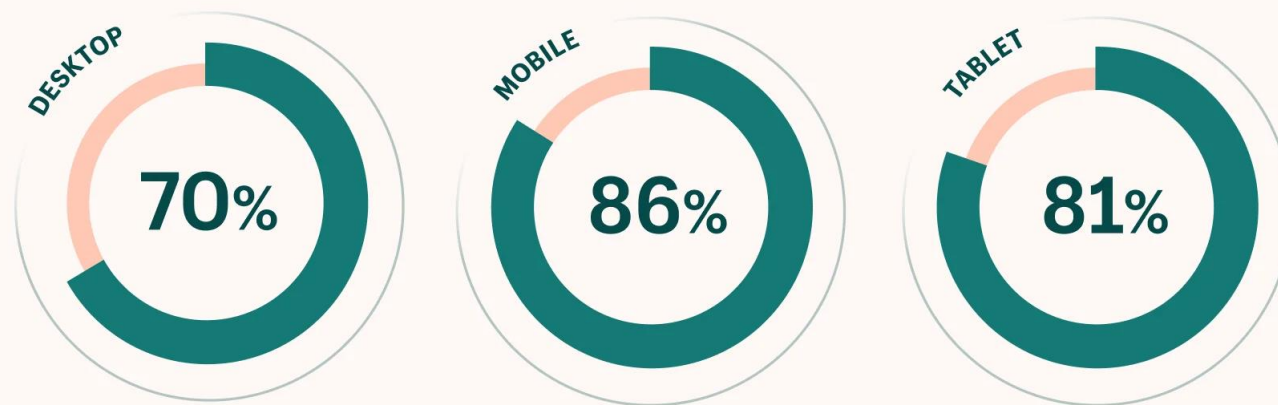
# 5. Abandoned Shopper Carts



# The Challenge: Between 70%-80% of potential sales are being left in abandoned shopper carts

---

## Average cart abandonment rate



Source: Baymard Institute

# Why Mail? Programmatic mail will help you close the abandoned shopper cart gap for advertisers

Of the **10.6%** of Direct Mail that prompts a website visit:

**31.2%** prompts an account look up

**13.2%** prompts an online purchase



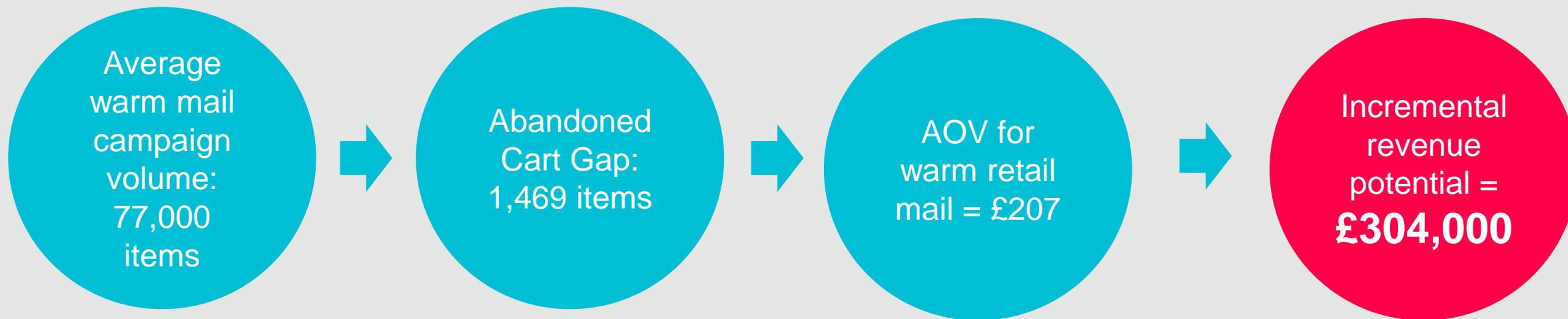
**18%**

potential sales gap for programmatic mail to fill?



# Why Mail? Programmatic mail will help you close the abandoned shopper cart gap for advertisers

*Assuming....*



---

# 6. Trust

# The Challenge: Eroding trust in social media presents an opportunity for Retail Media to increase share of ad spend

**77% of media experts agree** that eroding consumer trust in major social media platforms will negatively impact their media spend

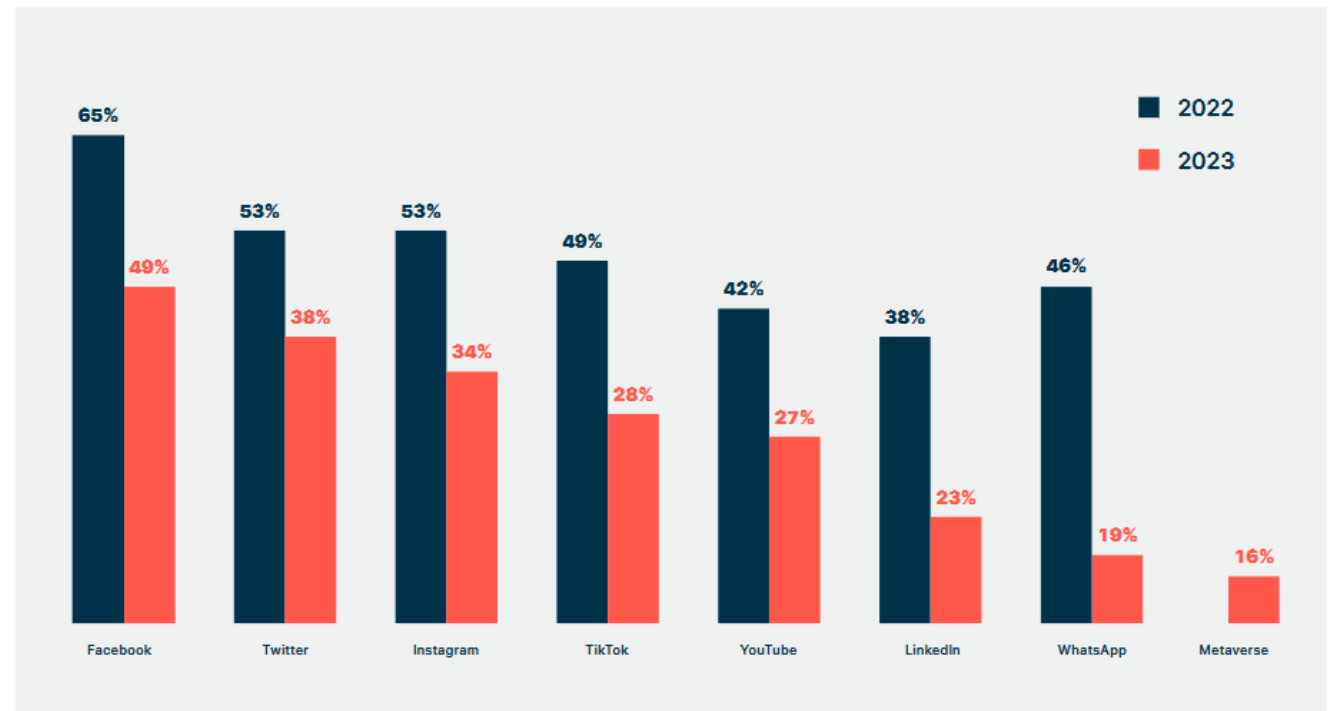


Thinking about in-feed social media in the next 12 months, please indicate whether you agree or disagree with the following statements

21

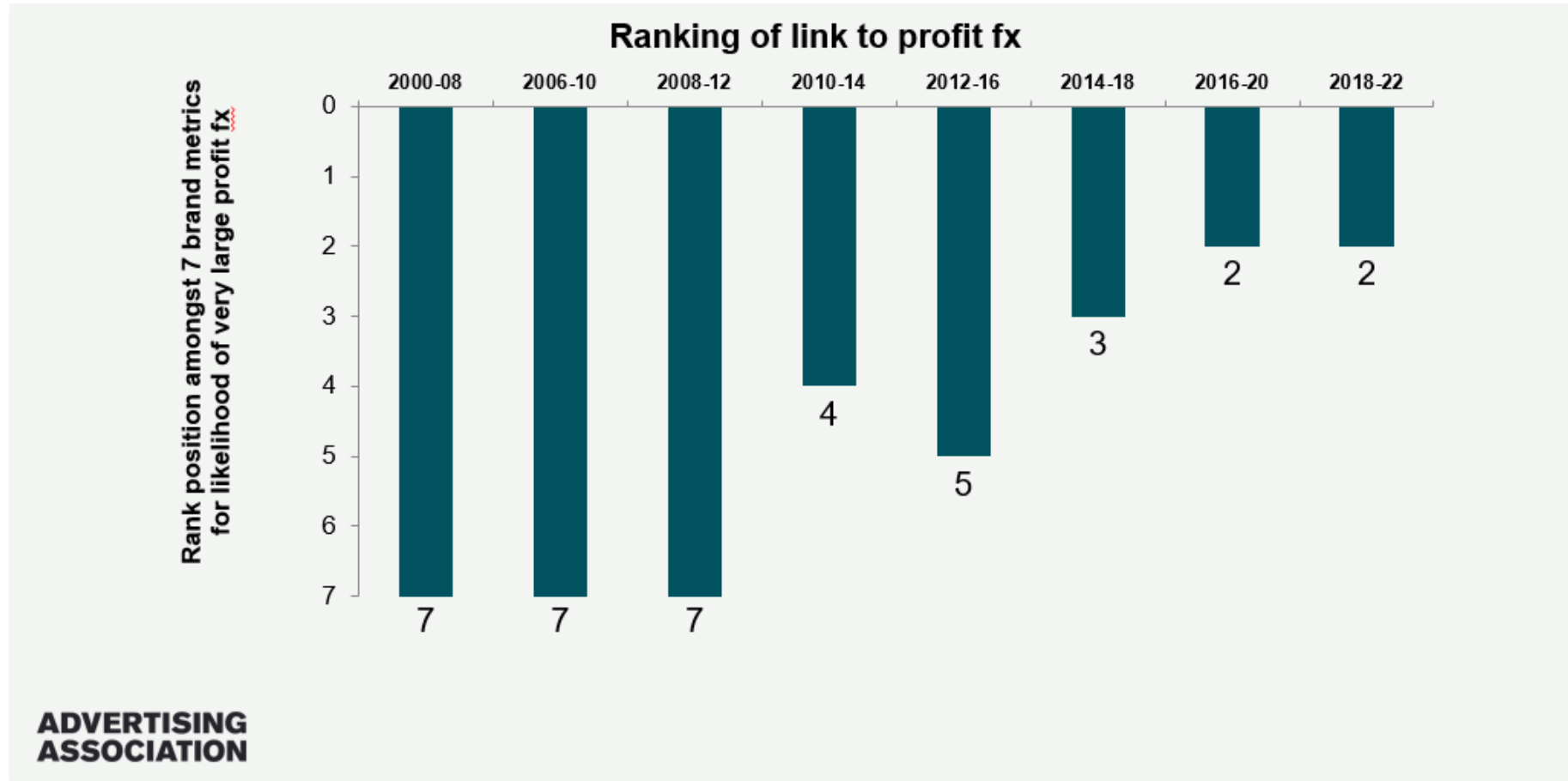
IAS Integral Ad Science

On which platforms is your organization likely to adjust media spend due to eroding consumer trust?



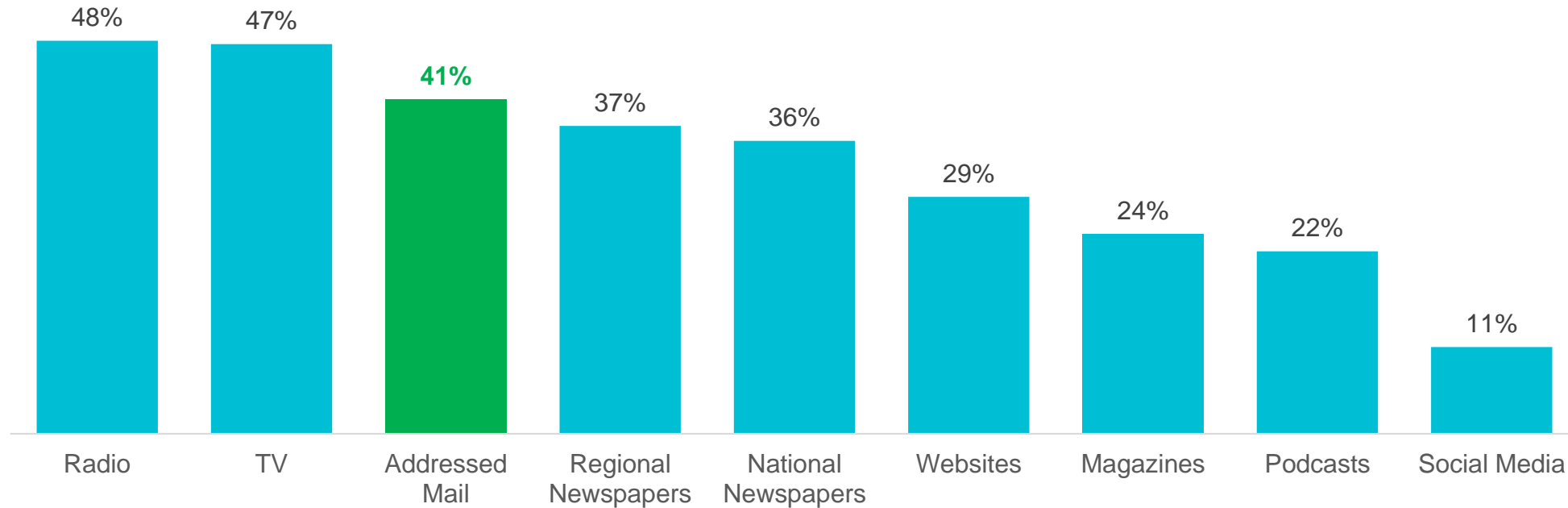


# Trust is second largest brand driver of profitability



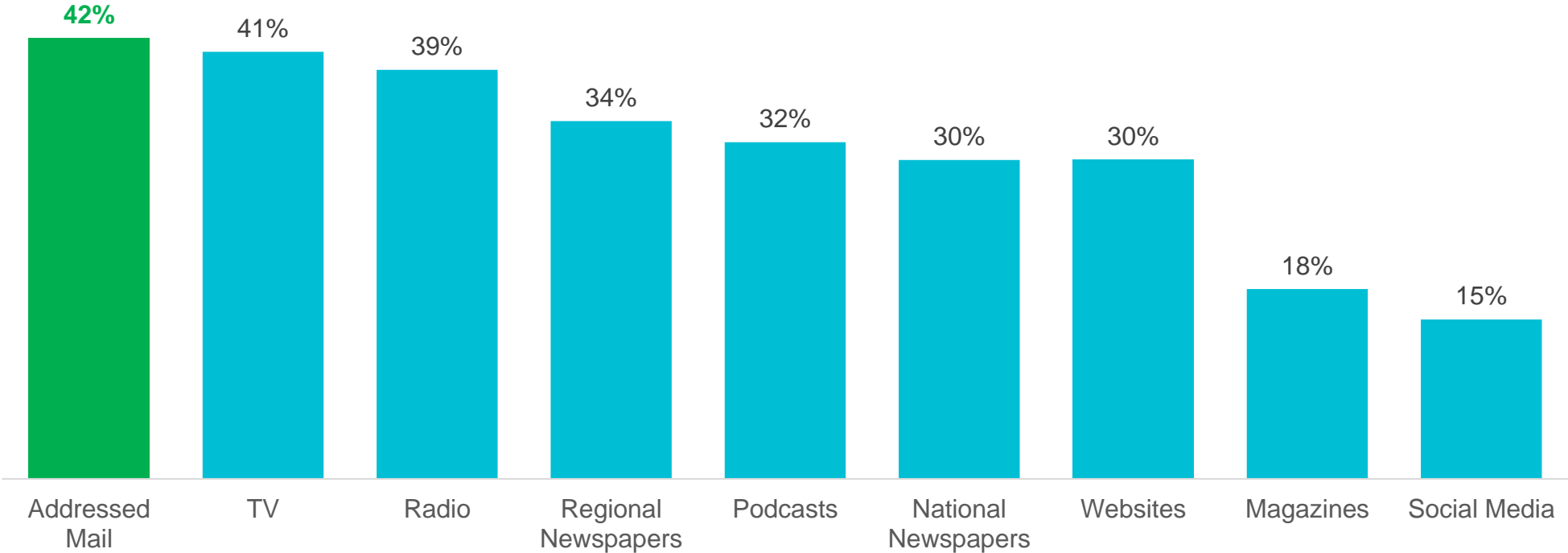
# Why Mail? Mail is an owned channel for retailers that is amongst the most trusted media channels in the UK...

% of UK Adult who trust media



# Why Mail? Mail is the most trusted media platform amongst hard to reach 18-34 year olds

% of 18-34s who trust media



# Six reasons why marketers should demand mail when buying Retail Media



Mail Media Metrics



# Six reasons why marketers should demand mail when buying Retail Media

---

---

Customer Acquisition **1**

---

Customer Loyalty **2**

---

Target Without 3P Cookies **3**

---

Relative Advantage **4**

---

Personalisation **5**

---

Measurement **6**

---



---

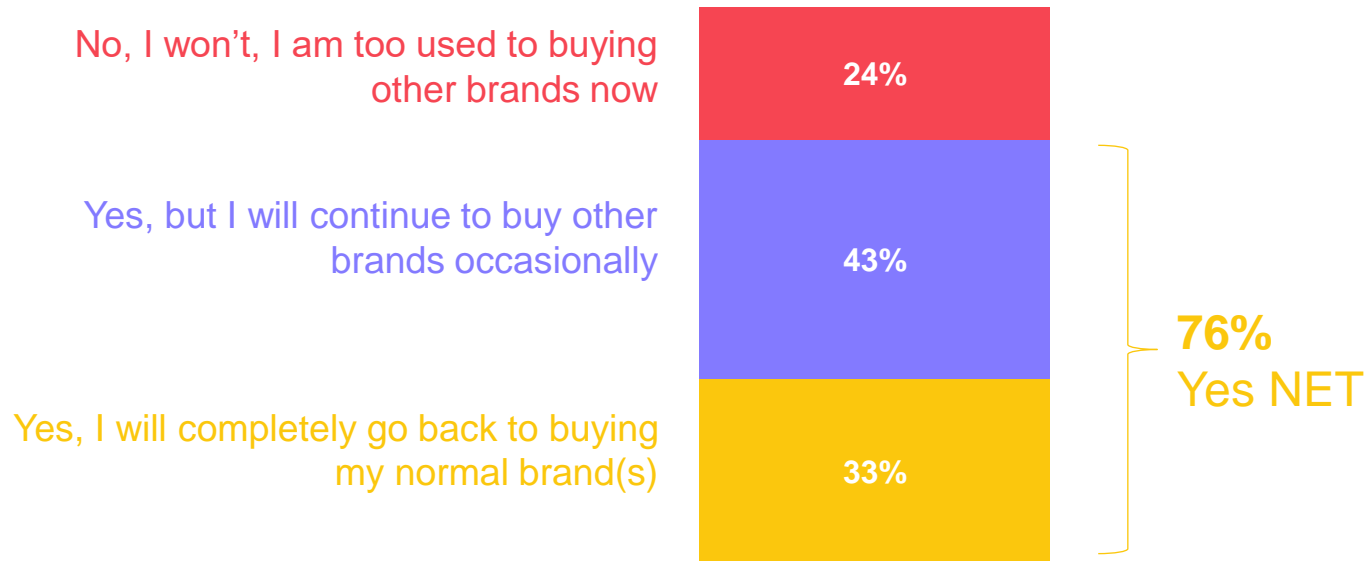
# 1. Customer Acquisition



Mail Media Metrics

# The Challenge: Brands have lost customers to cheaper alternatives during the cost-of-living crisis

If the financial situation improved, could you see yourself going back to buying your normal brand?

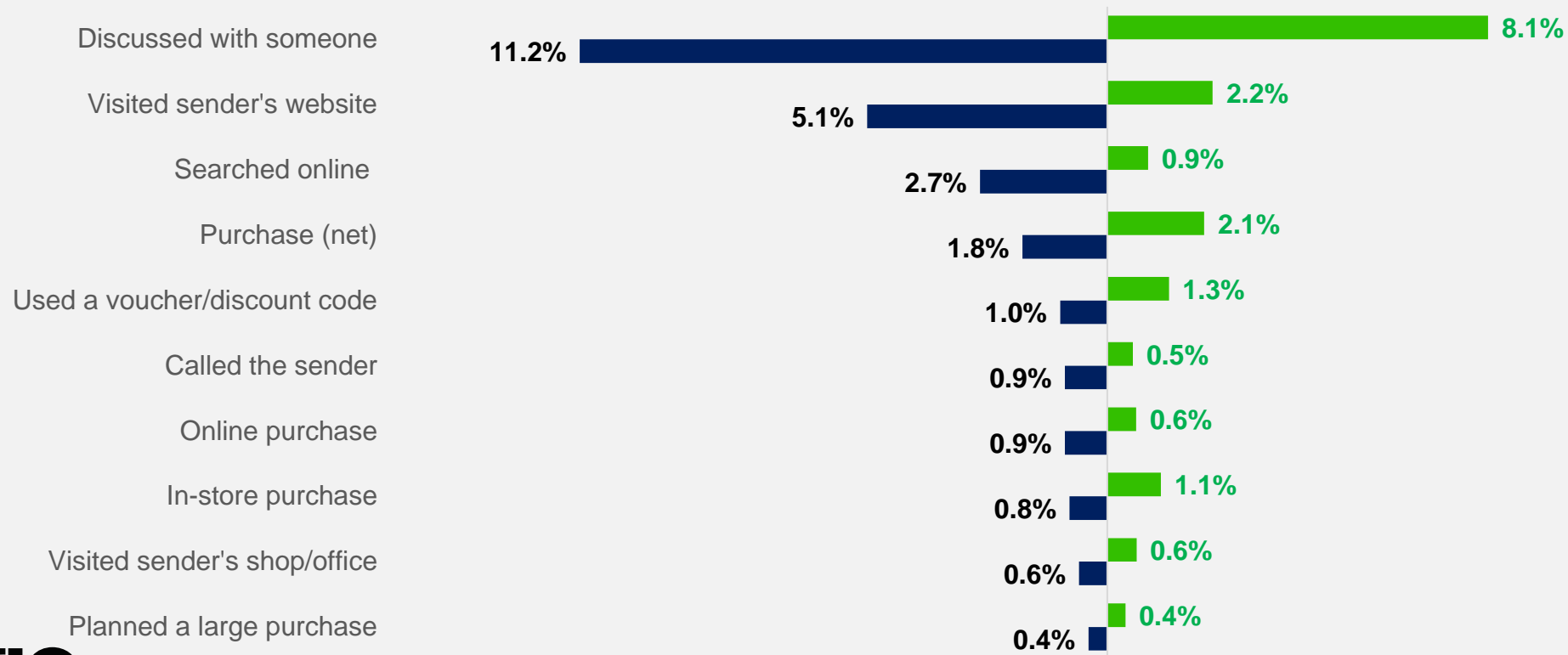


“The key to brand growth is acquiring new customers. Brands that do not attract new buyers will soon stagnate.”

Byron Sharp – How Brands Grow

# Why Mail? Direct Mail and Door Drops are powerful customer acquisition channels. Choose the right channel for the task

## Door Drop vs Cold DM Commercial Effectiveness





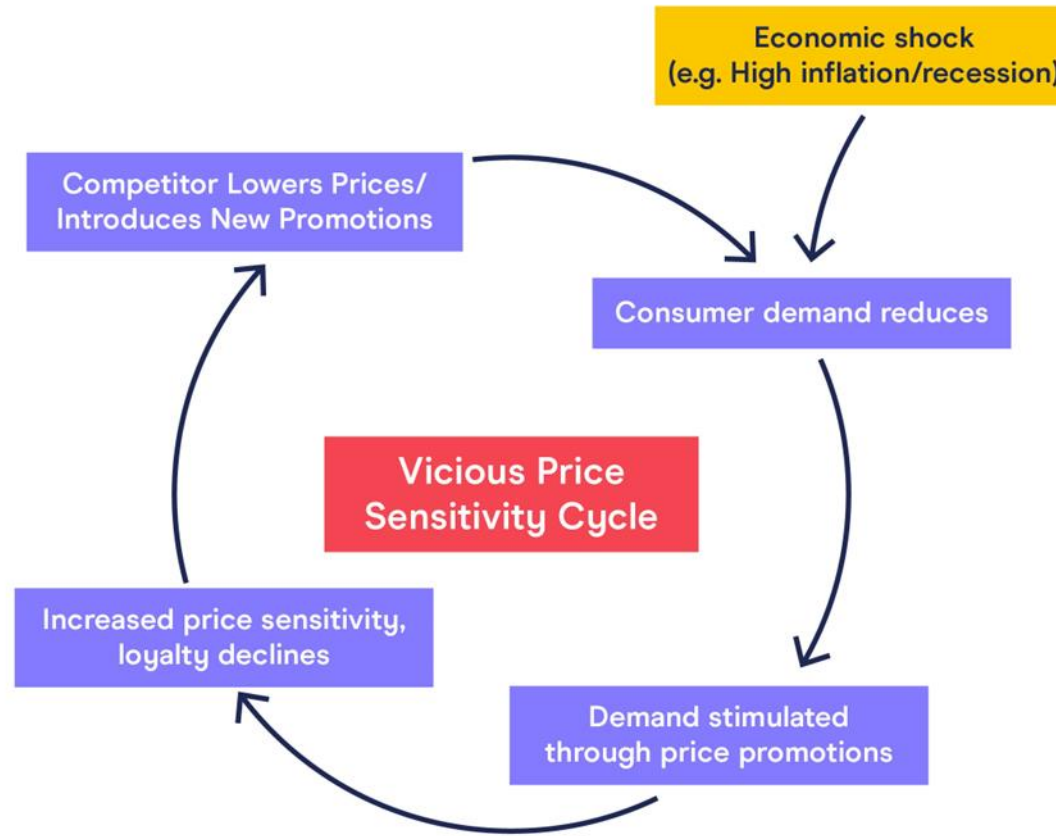
---

## 2. Customer Loyalty



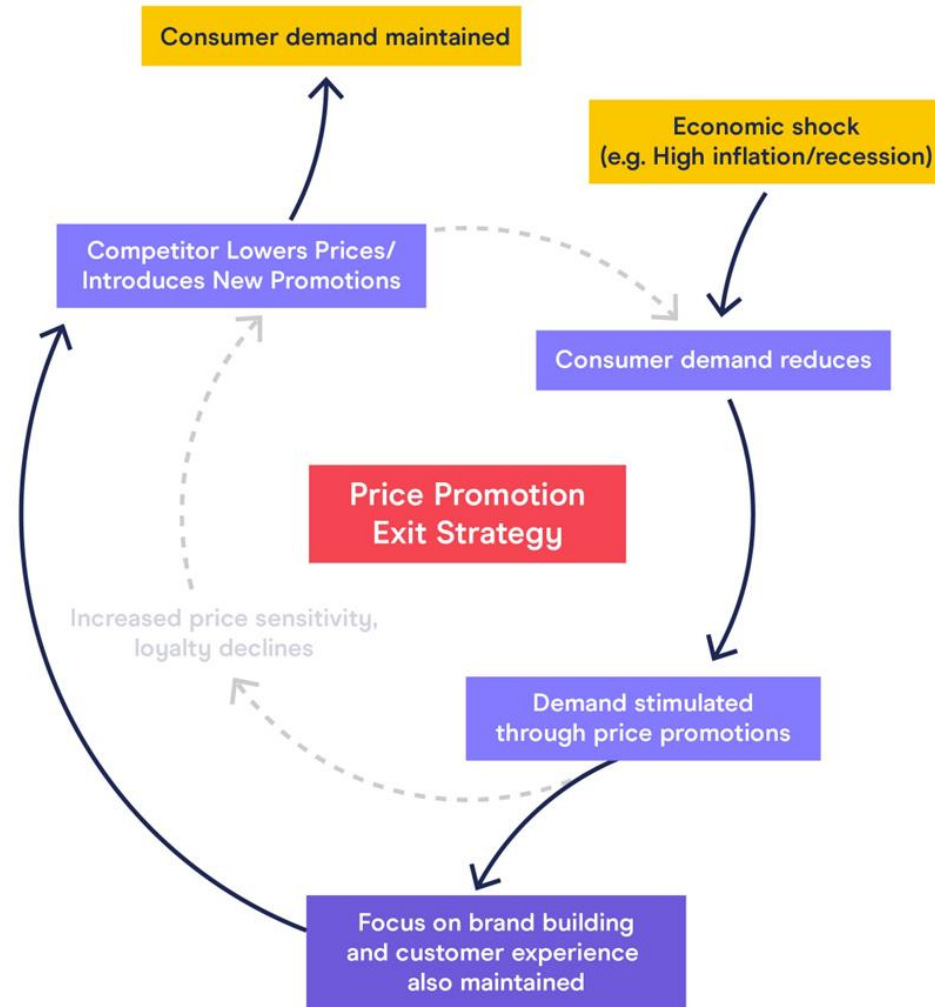
Mail Media Metrics

# The Challenge: brands are being locked into a price sensitivity downward spiral. Loyalty is declining.

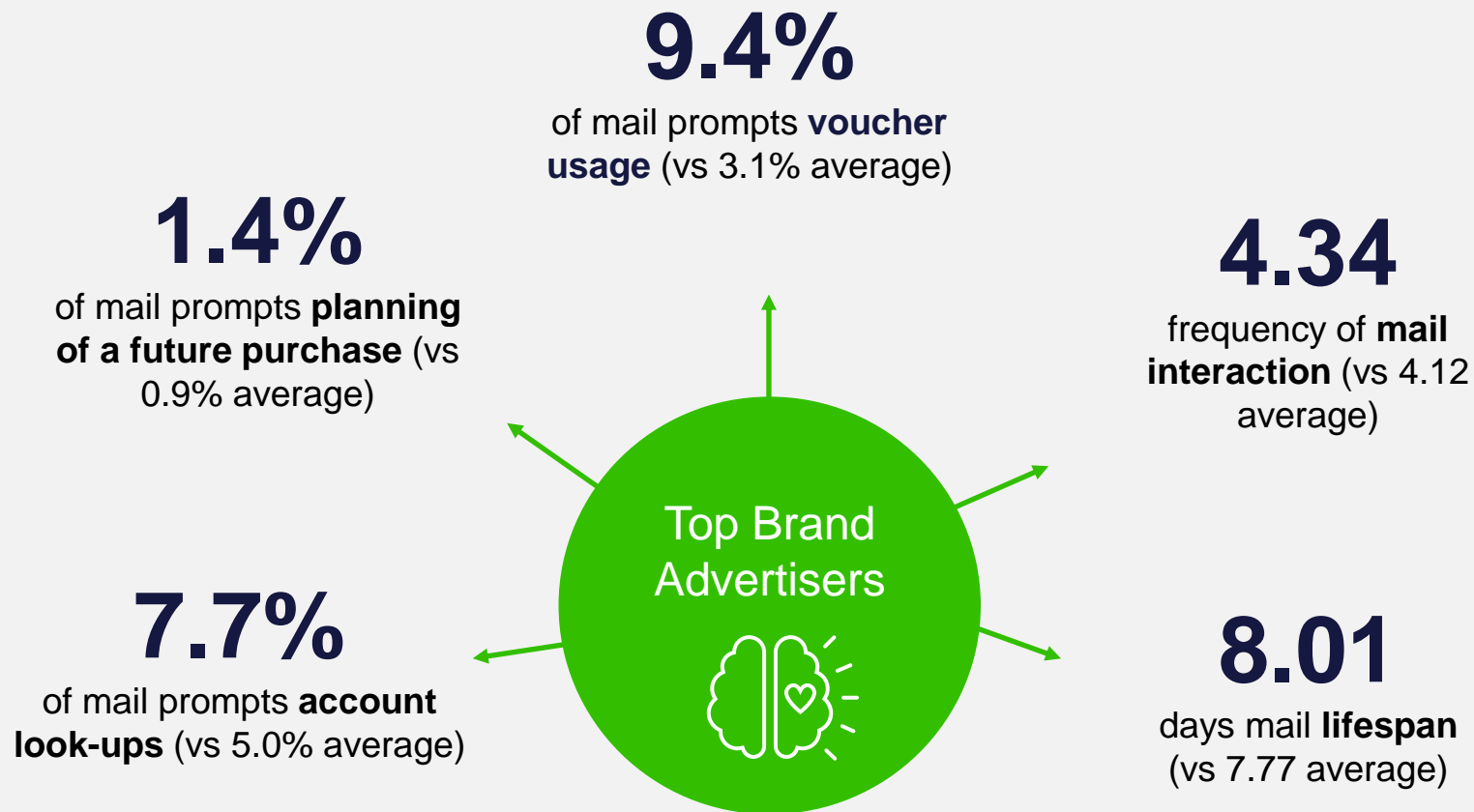


**61%**  
say they feel **less loyal** to brands now than a year ago (up 20% year on year)

# The Challenge: Only a rebalancing towards brand building and customer experience will reduce price sensitivity



# Why Mail? Big brand advertisers generate more customer engagement and stimulate more future demand with their mail



---

## 3. Post third-party cookie ready



Mail Media Metrics

# The Challenge: The Cookiepocalypse is nigh



**52%**

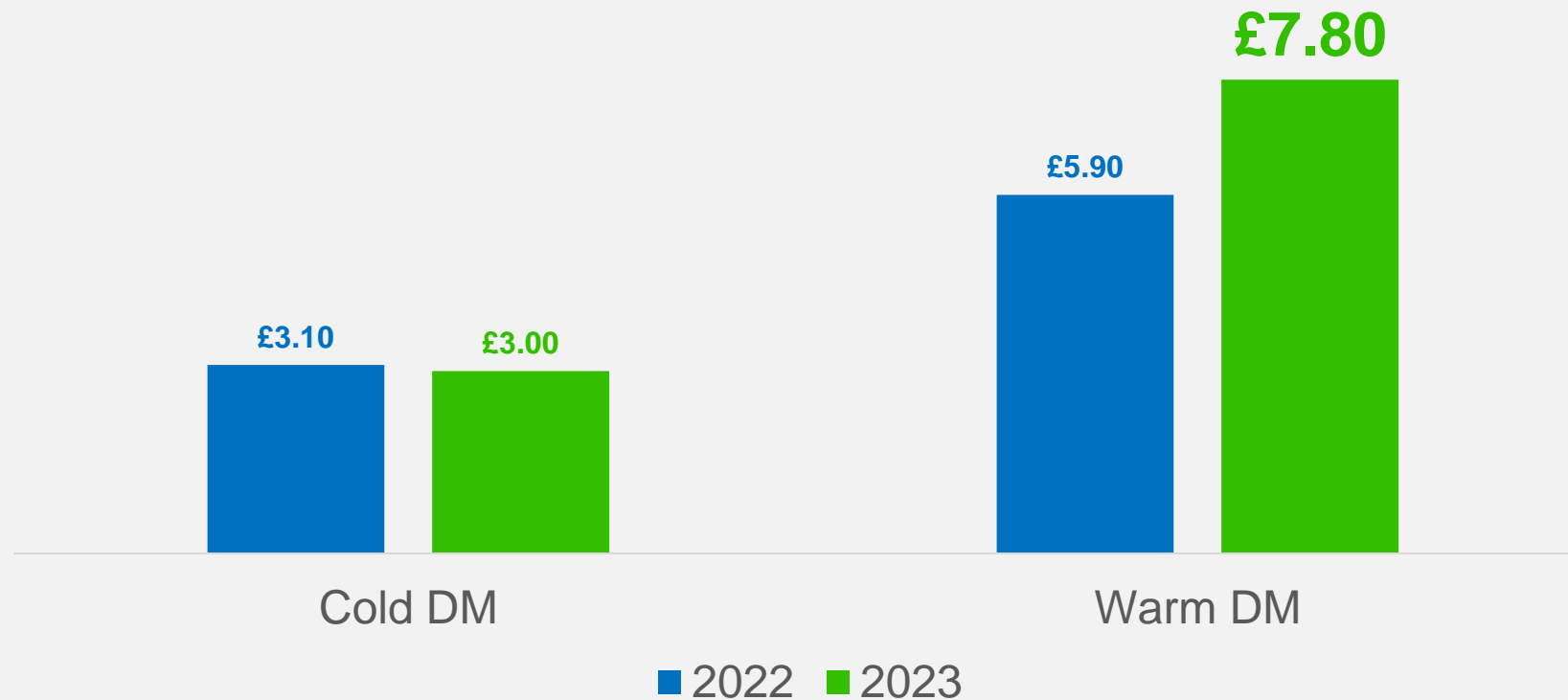
of marketers expect an increase in revenue after the end of third-party cookies

Source: 2024 Cookieless data survey  
Q: Does your company anticipate any changes in its revenue after the end of third-party cookies?  
n: 138



# Why Mail? The original addressable media. Warm mail uses first party data to drive significant returns

## Retail / Online Retail Mail ROI



**+32%**

Growth in warm retail mail ROI in 2023

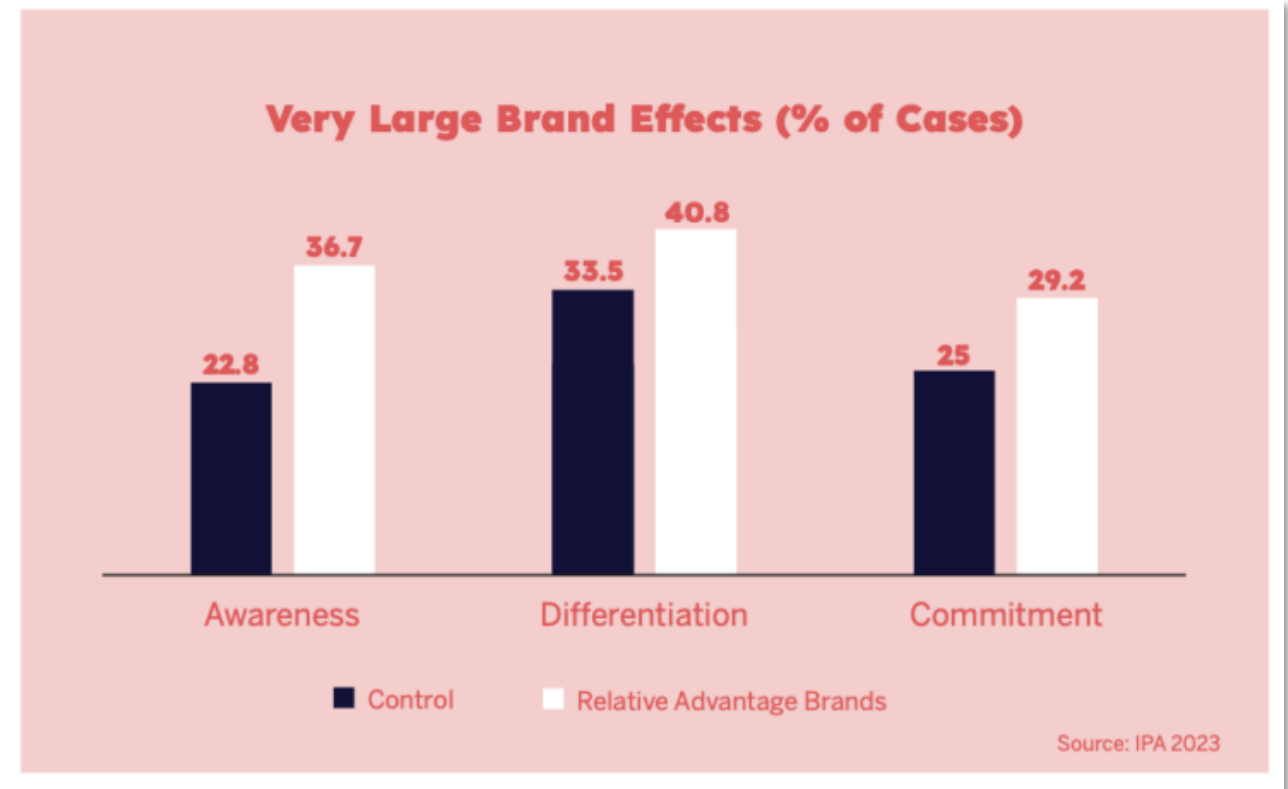
---

# 4. Relative Advantage

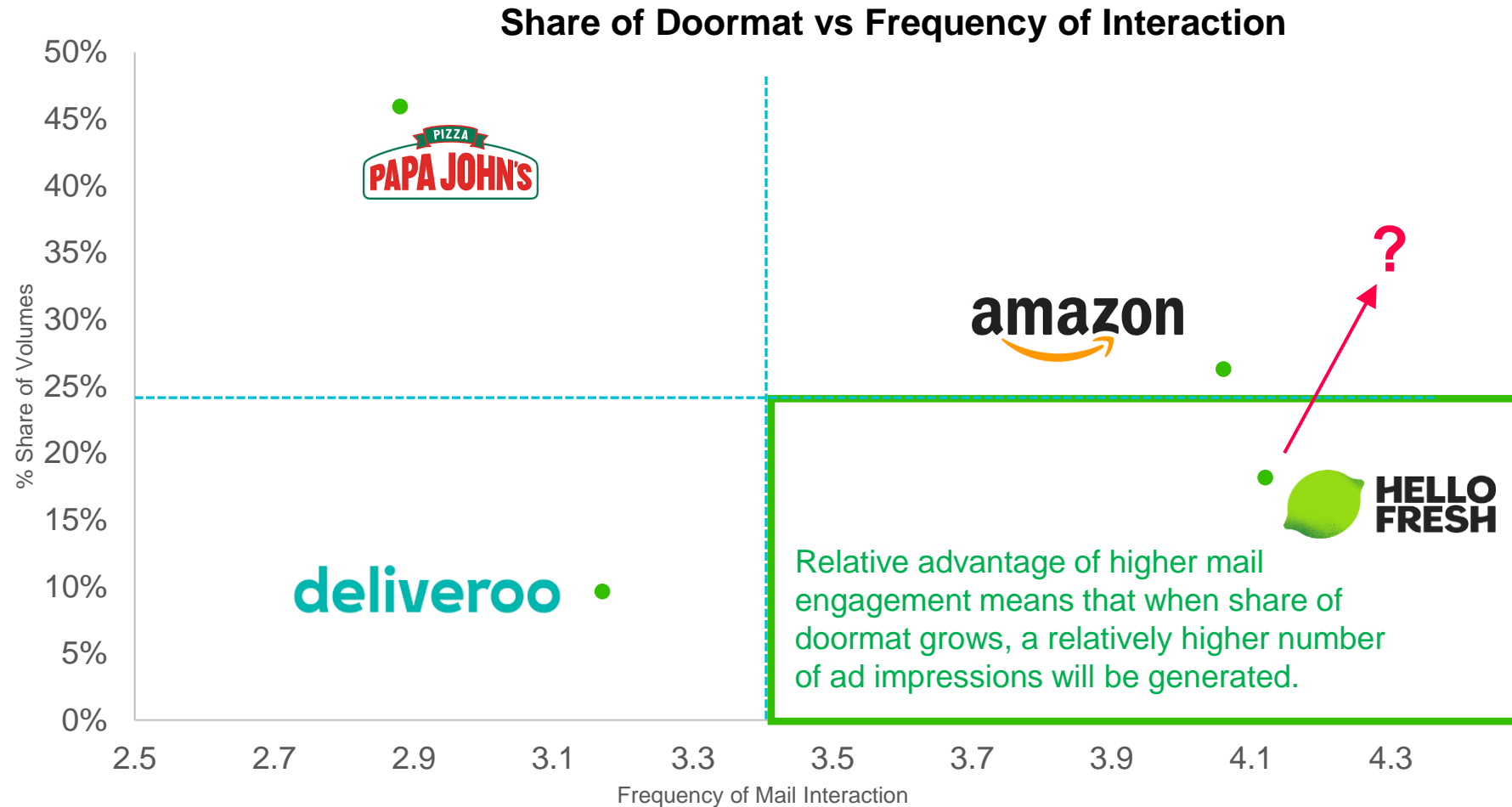




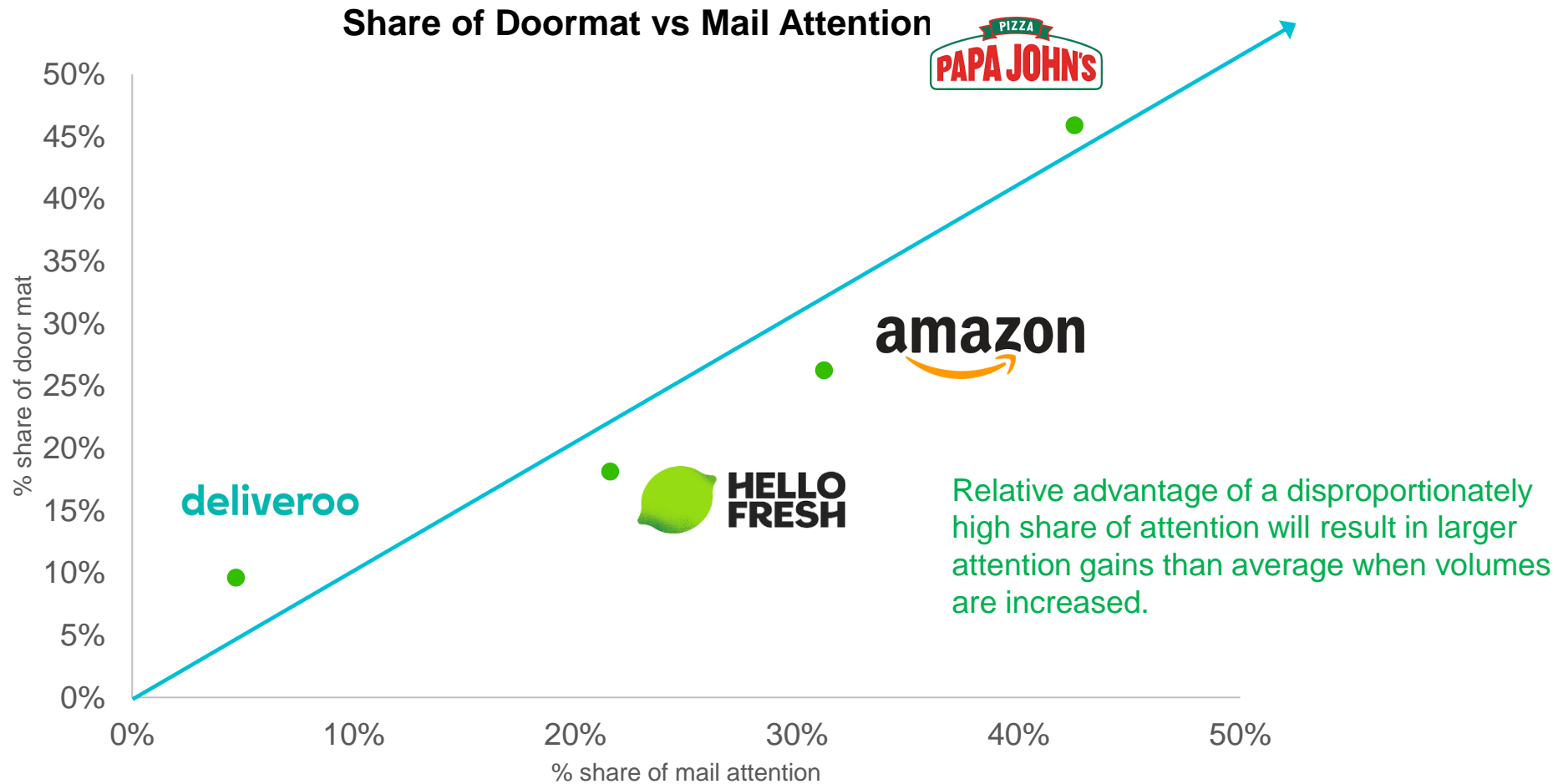
# The Challenge: Marketers should be planning for relative advantage in an era of ad saturation



# Why Mail? If consumers are highly engaged with your mail, up volumes to take advantage of the ad impression multiplier



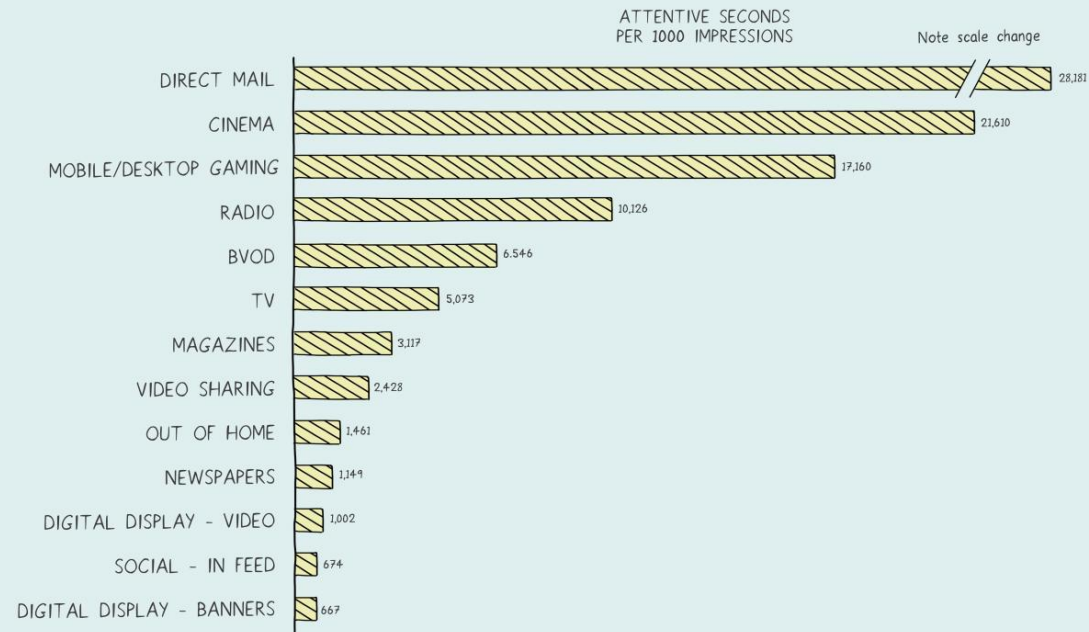
# Why Mail? Big attention grab opportunity with mail



# Why Mail? Mail generates more attention than any other channel

## ATTENTION GAINED BY DIFFERENT MEDIA

These figures are the total number of seconds of viewers' attention an advertiser can expect to gain from different media, assuming average creative quality. They reflect how many people are likely to pay any attention at all to the ad, and if they do, for how many seconds. This should be considered when deciding which media channels to use, alongside the cost and reach of each medium. Longer attention tends to mean greater memorability, but this may not be relevant depending on the objectives of the campaign and the creative.



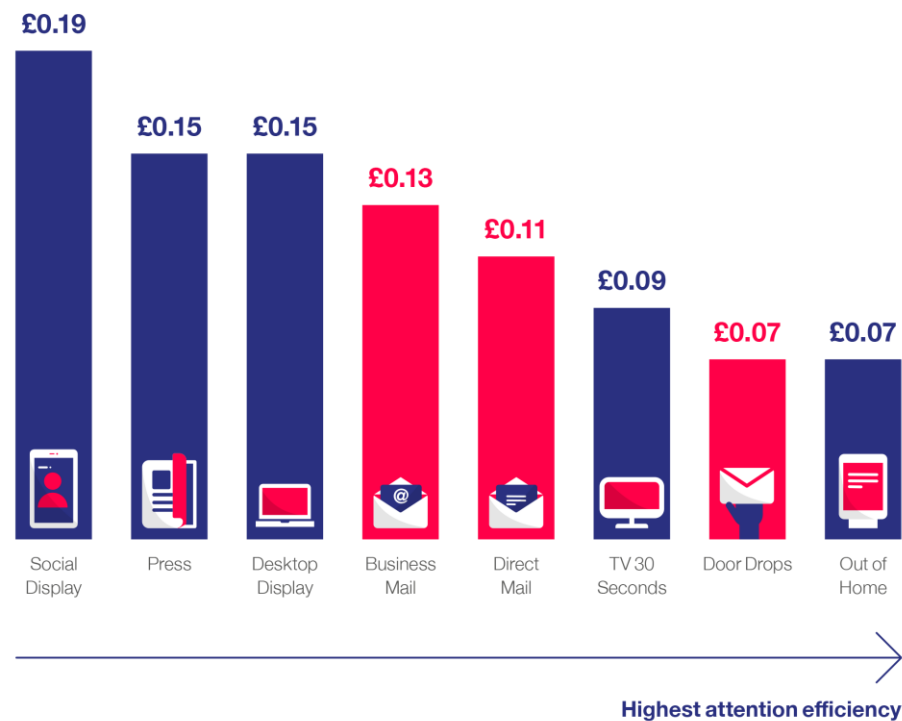
SOURCE: DM - JICMAIL; TV - TVision; other platforms - Lumen. Figures vary by ad duration/size.

© Dan White [www.smartmarketing.me](http://www.smartmarketing.me)



# Why Mail? Mail is among the most attention efficient channels available to marketers

Cost per minute: ABC1 Adults



---

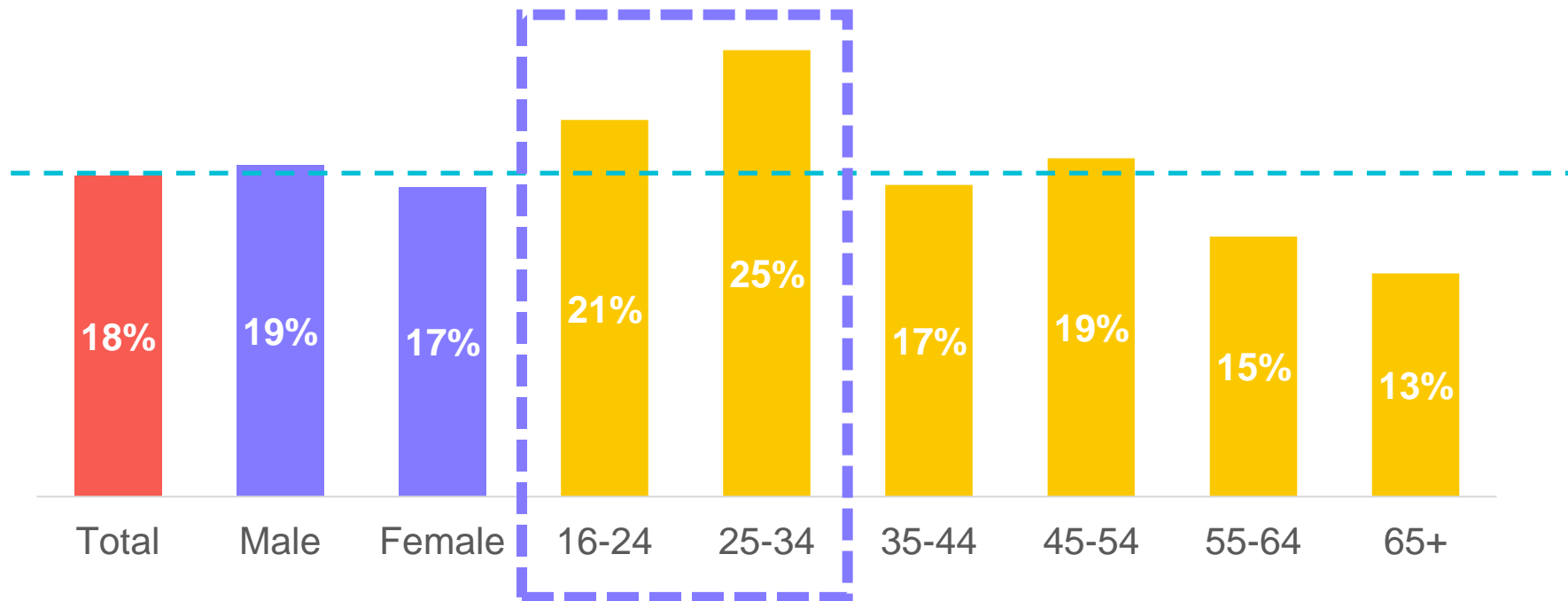
# 5. Personalisation



# The Challenge: Personalisation is key to cutting through with younger audiences

## Personalisation Demands:

*Having messages in advertising that are very specific to my shopping / browsing habits*



Question: Brands and companies use different levels of personalisation in their communications and marketing. Which, if any, of the following types of personalisation would you like to see from the brands that you currently purchase from?

Source: DMA Customer Engagement Future Trends 2024

# Why Mail? Mail is a channel that has a wealth of personalisation opportunities. Younger audiences hang on their mail

58



**10.2** day  
lifespan for retail  
mail among 25-34  
year olds (vs 8.17  
average for all  
adults)

**JIC  
MAIL**

Mail Media Metrics



# Why Mail? Post third-party cookies, personalisation data comes from three sources. All three are where mail can work hardest

---

**1.**  
1<sup>st</sup> Party Data



**2.**  
Retail Media



Tesco Media and Insight Platform.  
>> Powered by dunnhumby

**3.**  
Location



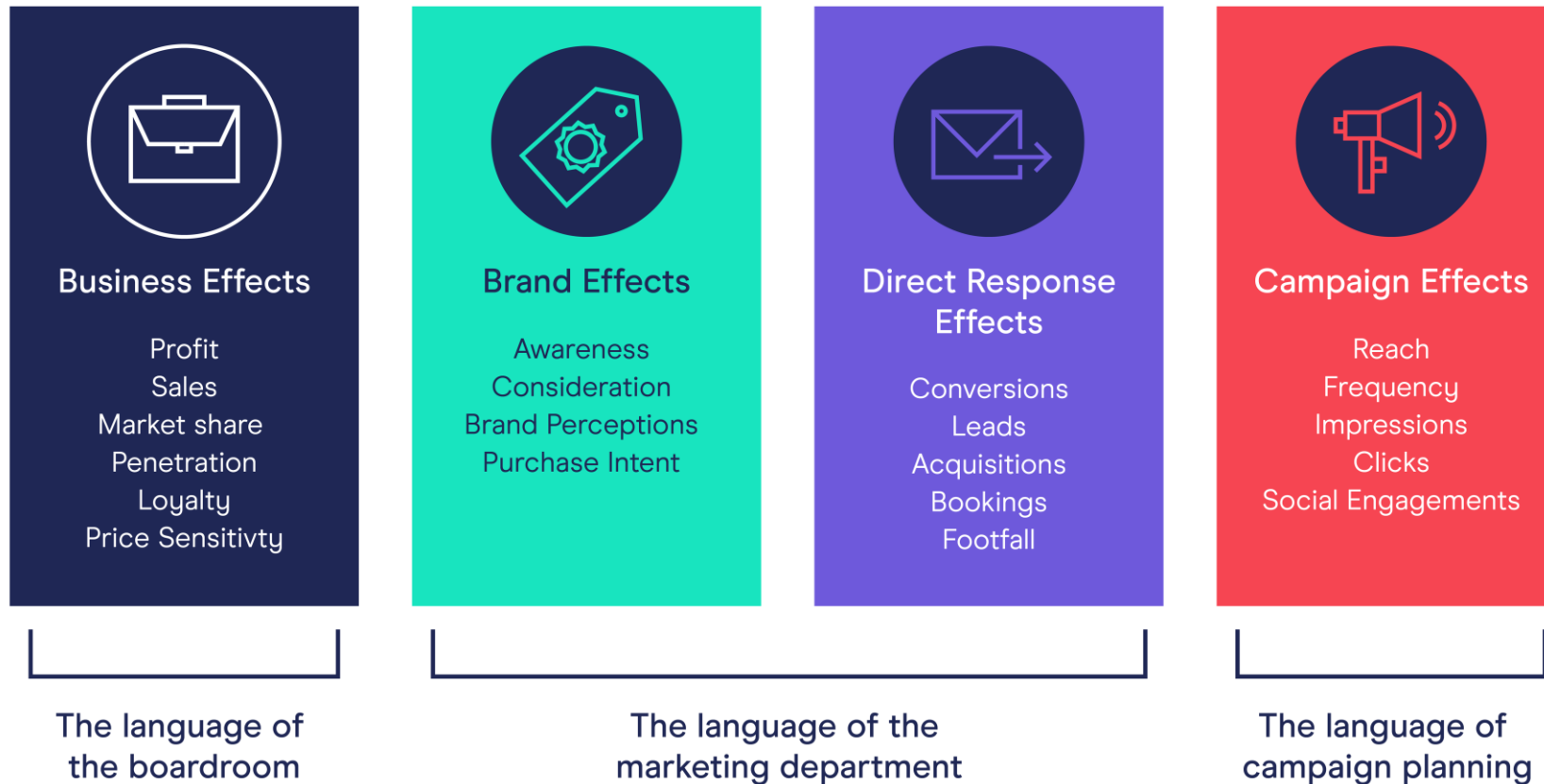
---

# 6. Measurement



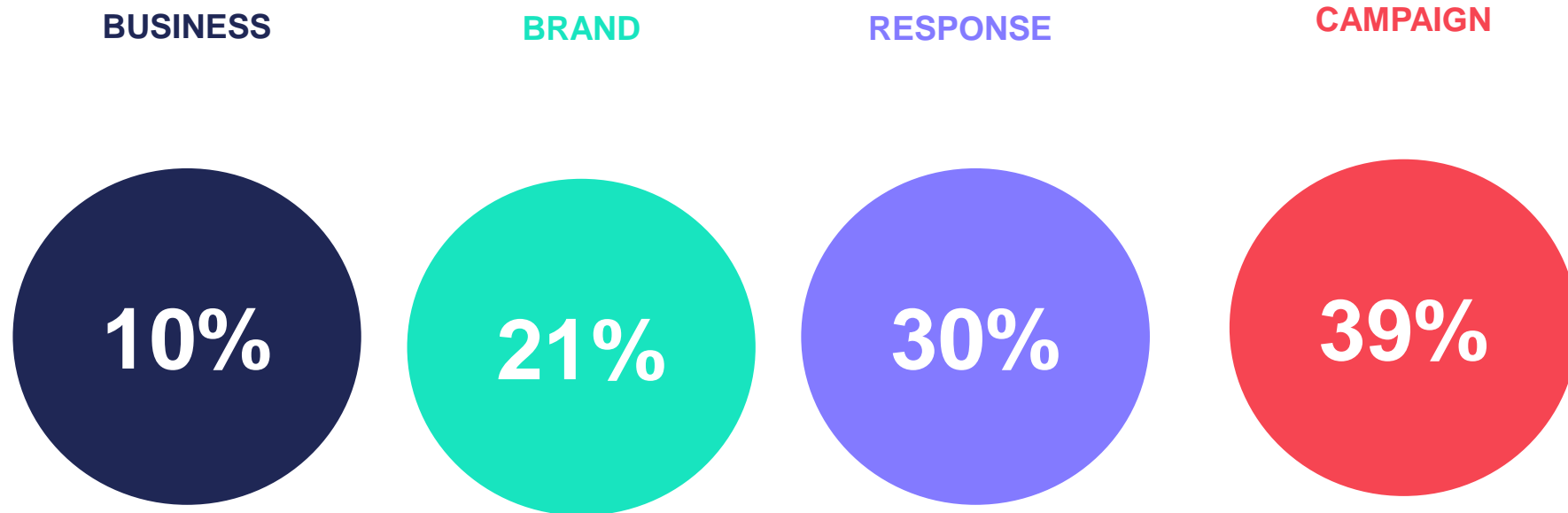
Mail Media Metrics

# The Challenge: Marketers are not focusing their measurement efforts in the right places



# The Challenge: Not enough focus on linking marketing investment to business outcomes

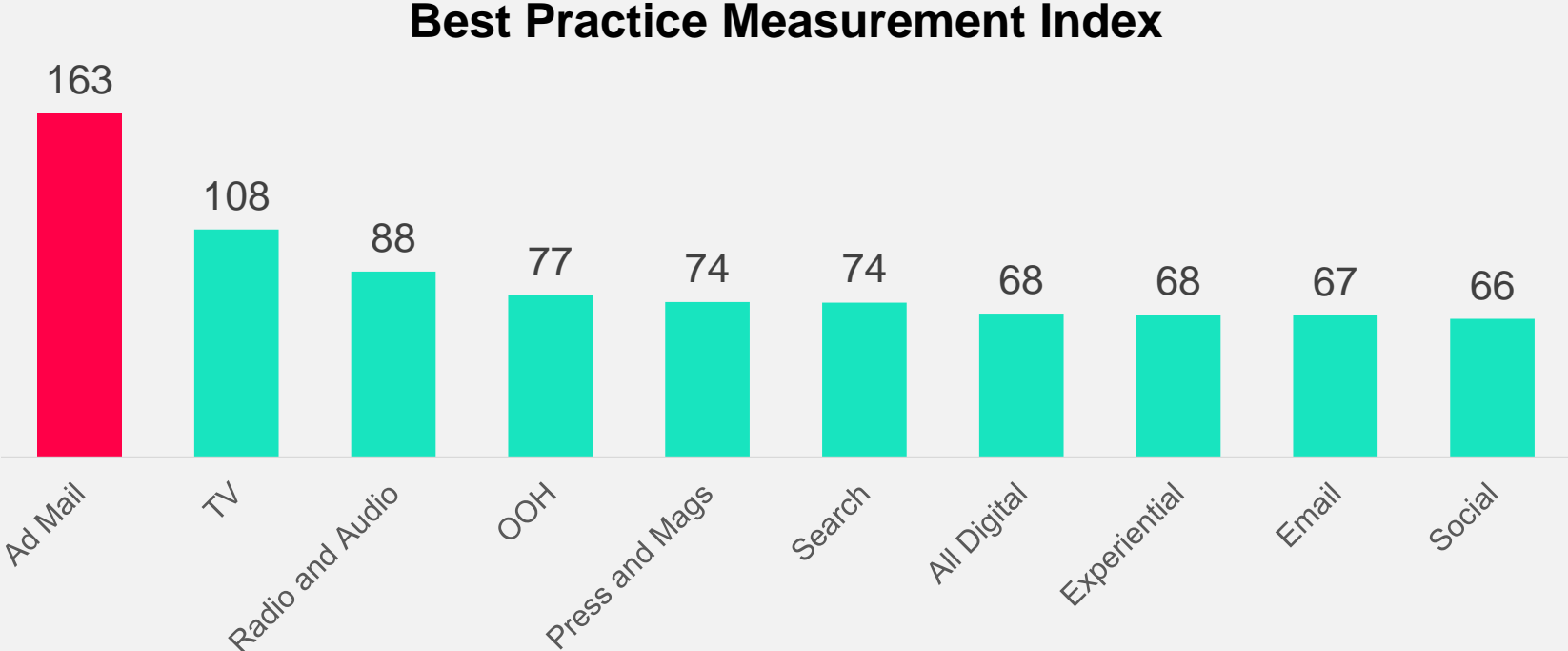
---



*% of effectiveness metrics by group*



# Why Mail? Mail tops the rankings for its focus on best-practice measurement



Source: DMA Effectiveness Databank 2024  
Index 100 = Likelihood of average campaign to avoid using campaign delivery metrics when reporting on results  
Note: the chart does not display solus use of the channel in question

# Why Mail? Additional test and learn measurement solutions available from JICMAIL

---



---

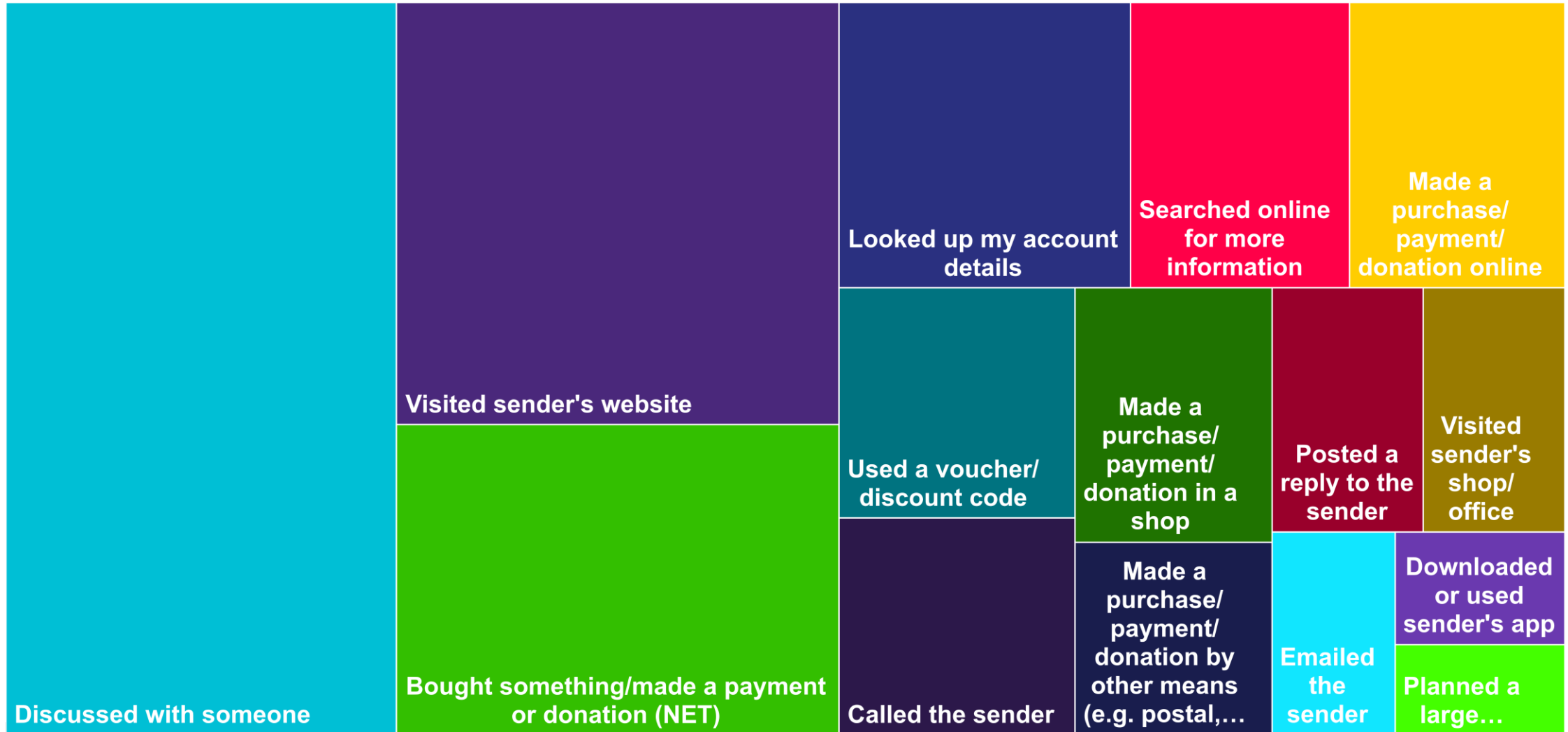
# Final Thought....



Mail Media Metrics

# Mail: The channel with full funnel effectiveness

---





# Thank you

---

 [jicmail.org.uk](http://jicmail.org.uk)

 [linkedin.com/company/jicmail](https://www.linkedin.com/company/jicmail)

 [ian@jicmail.org.uk](mailto:ian@jicmail.org.uk)

 [@jicmailuk](https://twitter.com/jicmailuk)

**JIC  
MAIL**

Mail Media Metrics