



THE 2024 DIRECT MAIL MARKETING BENCHMARK REPORT

Examining how mailers utilize the channel, what challenges they face, and consumer sentiment ... ensuring your direct mail initiatives remain successful.

SEQUEL
RESPONSE
A Franklin Madison company

Table of Contents

Methodology	3
2024: A Year of Growth for Direct Mail	4
Customer Acquisition Campaigns Lead in Spend	6
Audience Targeting is Mail's Top Advantage	8
What's Trending	9
Marketer Realities and Strategies for Success	12
Conclusion	14

EXECUTIVE SUMMARY:

Direct mail is a proven and effective growth marketing channel that continues to deliver results for marketers. Not only are marketers maintaining their investments in direct mail, but they expect to continue increasing their budgets in the next 12 months. As a cornerstone integrated marketing channel, mail's audience targeting is climbing as a key advantage, with marketers emphasizing the channel's reliability and scalability. From fueling multichannel strategies to driving purchases and consumer engagement, direct mail is a valuable component of a modern marketing strategy.

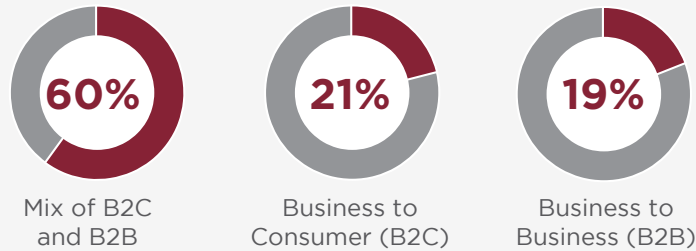
This comprehensive report covers how B2B and B2C brands are using direct mail, overall channel performance, and digital integration tactics. We also examine consumer insights around direct mail sentiment, influence, and preferences, so marketers can leverage direct mail strategies to produce impactful campaigns that achieve exceptional results.

METHODOLOGY

To complete our industry research, we partnered with research firm ISG to survey 350 B2B and B2C marketing strategy leaders across the United States. Via a custom online questionnaire distributed in April of 2024, ISG gathered insights on how marketing leaders are using direct mail today, what challenges they are facing, and direct marketing opportunities for the future. During that same time, ISG ran another online survey created for 600 consumers. This questionnaire sought to uncover how frequently consumers engage with various direct response advertisements, their level of influence and enjoyment with each, and their direct mail specific preferences.

Marketer Audience Demographics

Company Business Model



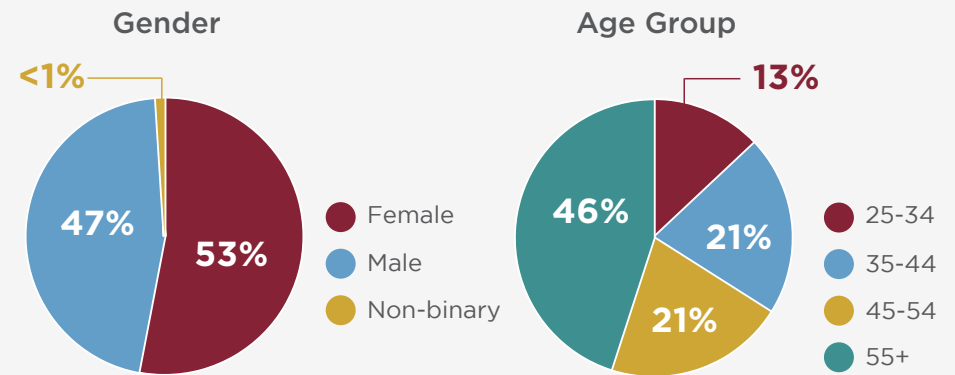
Industry

Retail	10%	Real Estate	9%
Financial Services	10%	Education	9%
Automotive	10%	Travel & Leisure	4%
Healthcare	10%	Utility	4%
Telecommunications	10%	Non-Profit	3%
Insurance Services	10%	Investment Services	2%
Consumer Products	9%	Other	1%

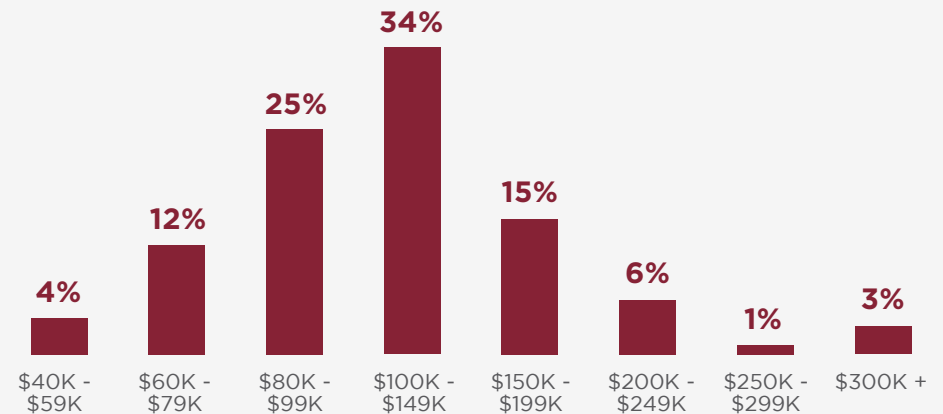
Role in Organization

Marketing Director	44%	CEO/President	4%
CMO/VP of Marketing	21%	C-Suite non-CMO	3%
Marketing Manager	16%	Digital Manager	2%
Brand Manager	6%	Other	<1%
Creative Director	5%		

Consumer Audience Demographics



Household Income



Any data not adding to 100% throughout the report is due to systematic rounding or respondents being allowed more than one selection.

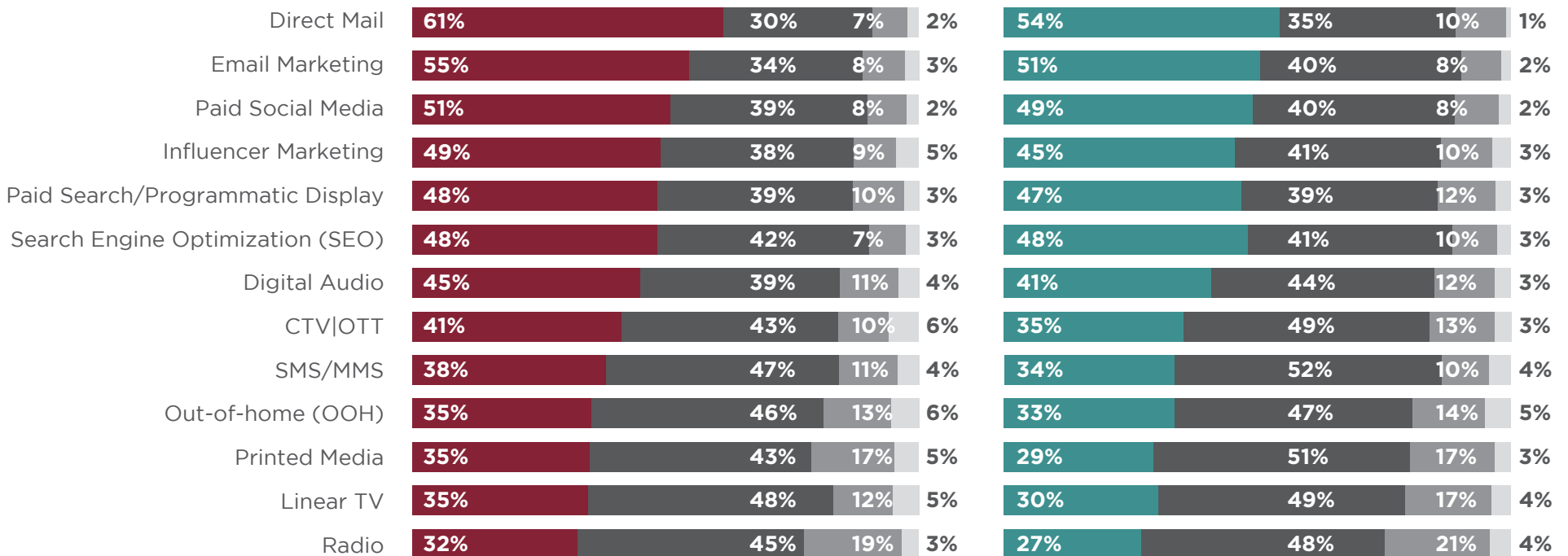
KEY FINDINGS


2024: A YEAR OF GROWTH FOR DIRECT MAIL


In the last 12 months, **61% of marketers have increased direct mail investments**, a 12% increase from 2023 survey results¹. Looking ahead to the next 12 months, **54% of marketers expect to continue to increase their mail budgets (the highest increase of any surveyed channel)**. The offline channel performance is also holding strong, as **96% of respondents have experienced improved or consistent performance over the last year**.

Changes in Direct Marketing Strategies in the **Last 12 Months**

Changes in Direct Marketing Strategies in the **Next 12 Months**



 How has your budget for the following direct marketing strategies changed in the last 12 months?

 How do you anticipate your budget for the following direct marketing strategies will change in the next 12 months?

 Increased Stayed the Same Decreased Don't Use

REALITY CHECK:

Consumer Insights



72% of consumers engage with mail each week – up 3% from last year.



Nearly 1/3 of consumers engage with direct mail daily.



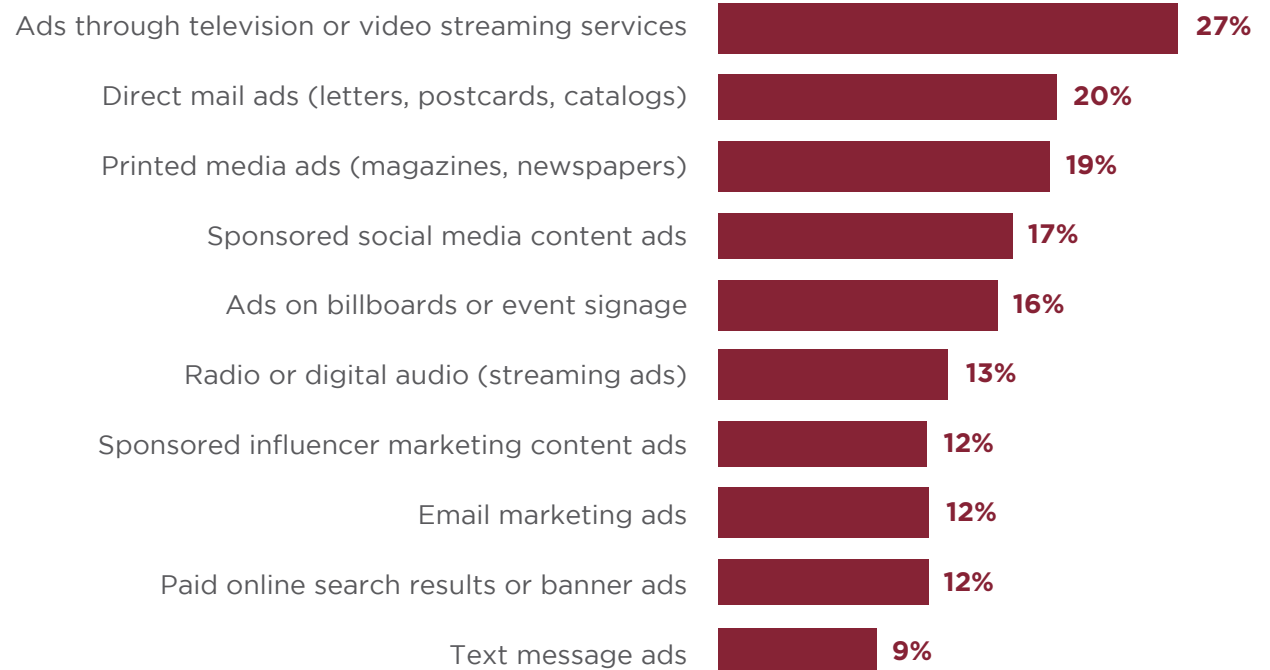
Direct mail is the **second most enjoyable form of advertising**, second only to TV/video streaming.


Although 2023 volumes took a dip, these statistics point to a positive outlook for the industry. Marketer confidence in the offline channel remains, with greater growth than all other direct response advertising channels, including email, paid social, and influencer marketing.

Additional experts and marketing insights signal a steady growth for direct mail advertising in the coming years. **Statista Market Insights data shows direct mail advertising in the United States is forecasted to reach \$20.38 billion in 2024** and continue to climb at a 1.6% growth rate to \$22.06 billion by 2029.² Winterberry Group predicts a 1.5% rise in spending in 2024.³

As we move into the second half of the year, we expect brands to continue leveraging direct mail's targeting power in various ways – and the potential for perpetual growth is promising.

Most Enjoyable Types of Ads (Top Three Types)



 Please rank the most to least enjoyable types of advertising.

REALITY CHECK:

Consumer Insights

Consumers say mail is less overwhelming than:



Email marketing



Sponsored social media



Paid online search/
banner ads



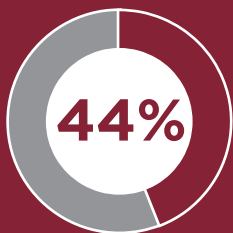
Television/
streaming ads



Influencer
content ads



Text messaging



44% of consumers say mail feels less intrusive than other types of advertising.

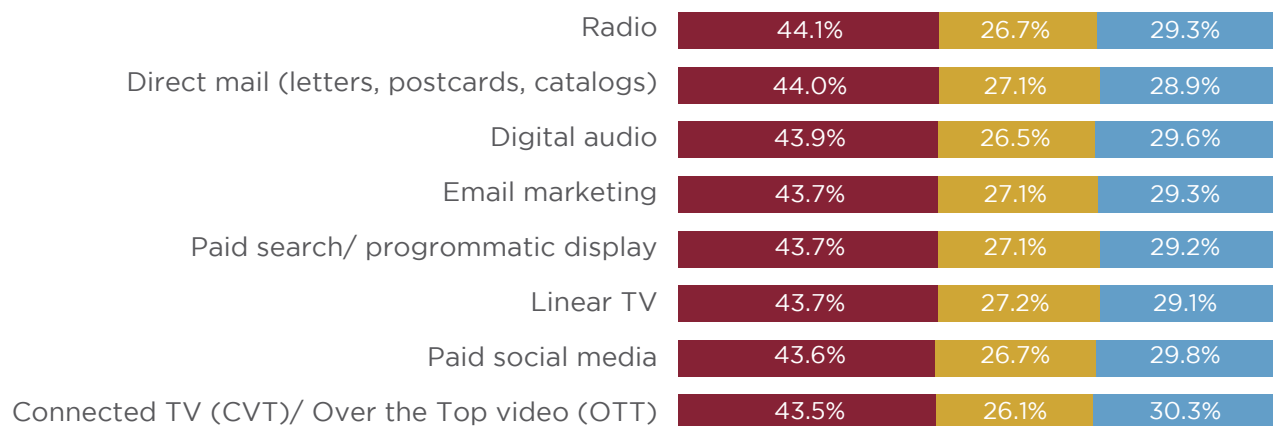
CUSTOMER ACQUISITION CAMPAIGNS LEAD IN SPEND

To remain competitive in today's market, **marketers are allocating more than 40% of their budgets toward customer acquisition campaigns across direct response channels.** Among these channels, direct mail remains a firm favorite. Additionally, nearly 30% of budgets are used for winback campaigns and the remaining is allocated towards remarketing efforts.

The effectiveness of mail for customer acquisition programs is further emphasized by the significantly lower cost per acquisition (CPA) reported by marketers this year. Compared to only 29% in 2023, **66% of respondents revealed they are spending less than \$150 per acquisition through direct mail.** When considering the average CPA for all direct marketing campaigns, mail's CPA remains competitive: 61% of marketers report spending less than \$150, reaffirming mail's efficiency and cost-effectiveness as a direct response channel.

The industry's focus on building scalable marketing programs is underpinned by profitable customer acquisition programs. Pouring budgets into channels without a clear targeting and messaging approach will lead to flat results. Therefore, marketers are prioritizing direct response strategies proven to reach their intended audiences with personalized and impactful interactions to drive deeper connections, enhanced experiences, and increased sales.

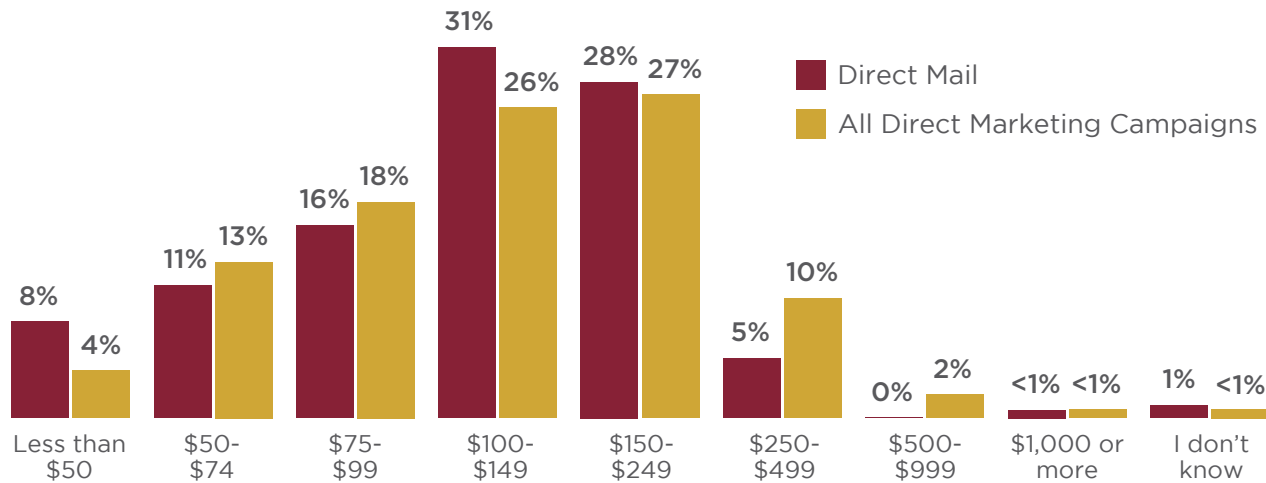
Percentage of Spend in Direct Response Channels



For your organization, please tell us approximately what percentage of spend in each of the applicable direct response channels goes towards achieving a specific outcome.

■ Customer acquisition
■ Lead Marketing ■ Winback

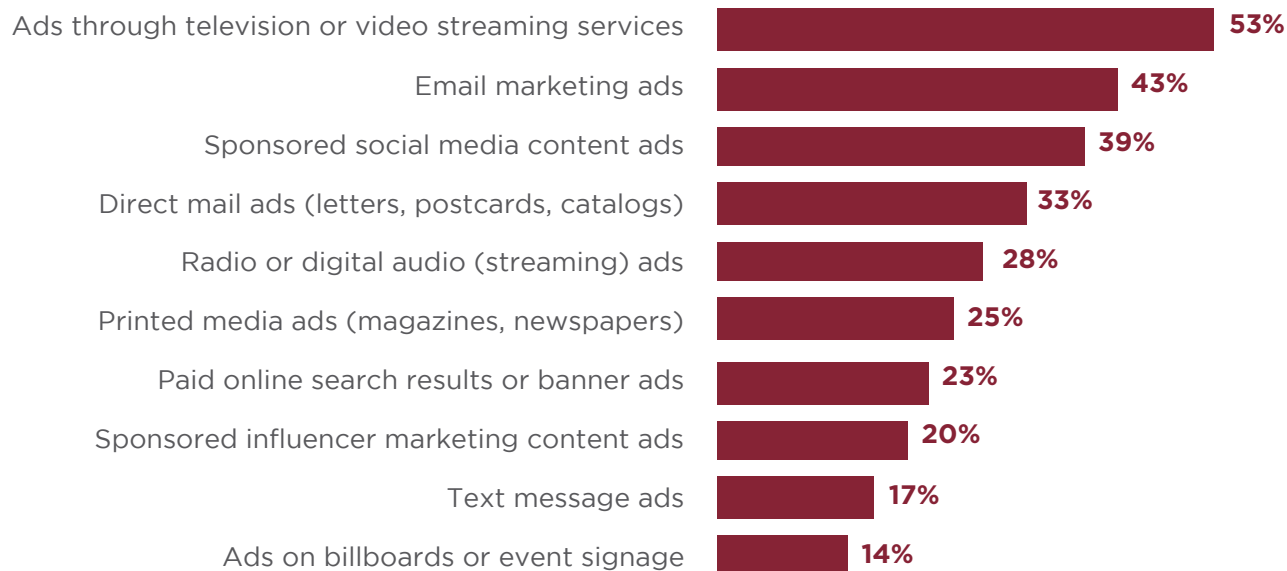
Average Cost Per Acquisition



What is your average cost per acquisition for direct mail?

What is your average cost per acquisition for all of your direct marketing campaigns?

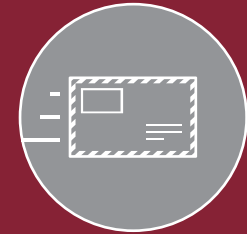
Most Influential Types of Advertising



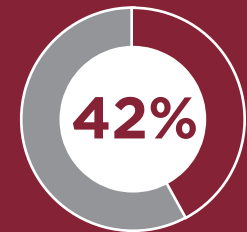
Please choose and rank the types of advertisements that are most influential over your purchase decisions.

REALITY CHECK:

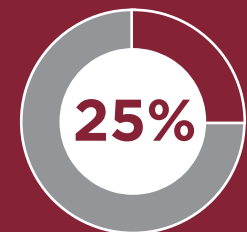
Consumer Insights



Direct mail is one of the top four most influential forms of advertising.



42% of consumers visit the website listed on the direct mail piece.



25% of consumers purchase what was advertised.

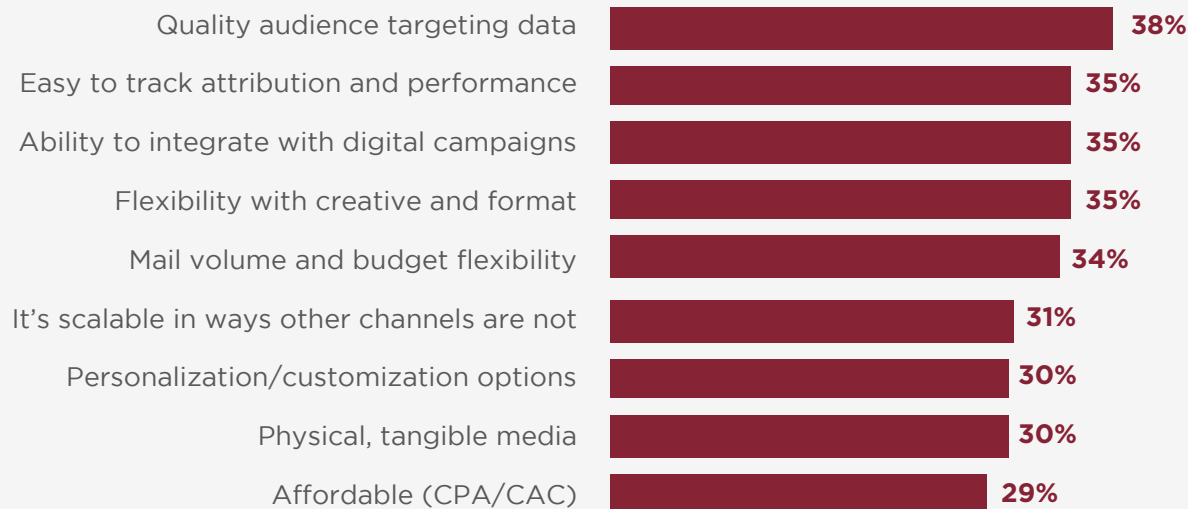
AUDIENCE TARGETING IS MAIL'S TOP ADVANTAGE

Quality audience targeting data emerged as the top advantage of direct mail advertising according to 38% of marketers. This is a substantial jump from the fourth position in the 2023 survey. Easy-to-track attribution, the ability to integrate with digital campaigns, and flexibility with creative and format closely follow.

The shift in the top advantage of the mail channel reflects marketers' increasing appreciation for the channel and offline data as a reliable prospecting and reach alternative to digital methods, such as third-party cookies. Therefore, the sourcing of audience lists becomes a critical component for campaign success. **When asked how marketers are sourcing their mailing lists, we found a near equal usage of first-party CRM data (33.9%), agency partners (33.7%), and data brokerage/vendor (32.4%).**

The increased emphasis on easy-to-track attribution and scalability, both moving up in rankings since 2023, further underscores the value that marketers are placing on the mail channel as a pillar of a profitable growth marketing strategy in modern marketing.

Top Three Advantages of the DM Channel



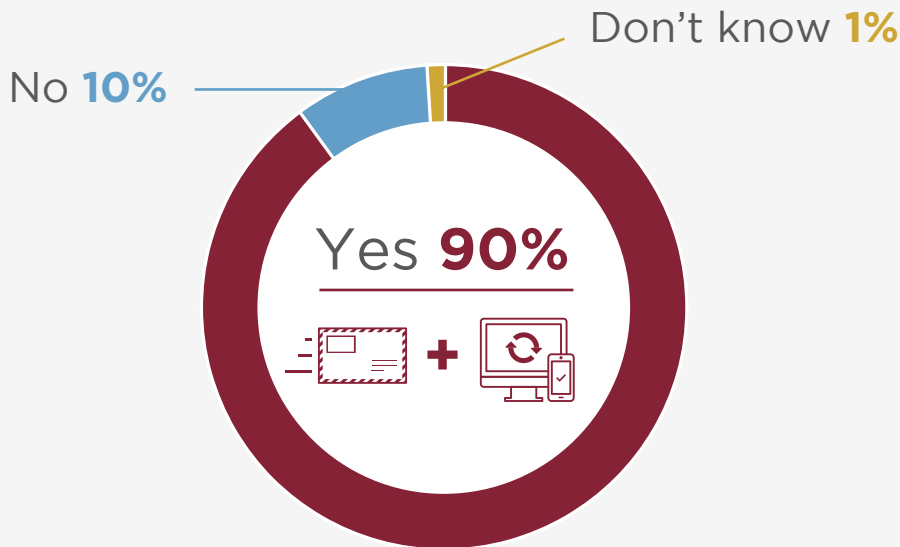
WHAT'S TRENDING

Digital Integration

Nine out of ten marketers agree an integrated strategy has a positive impact on campaign performance. To drive valuable conversions in a “do more with less” climate, **76% of marketers are combining/plan to combine the two most valuable direct response tactics: email and direct mail.** Both channels also top the list of current and expected budget increases. Web video (49%) and SMS/MMS (42%) round out the top three digital mediums marketers are integrating with mail.

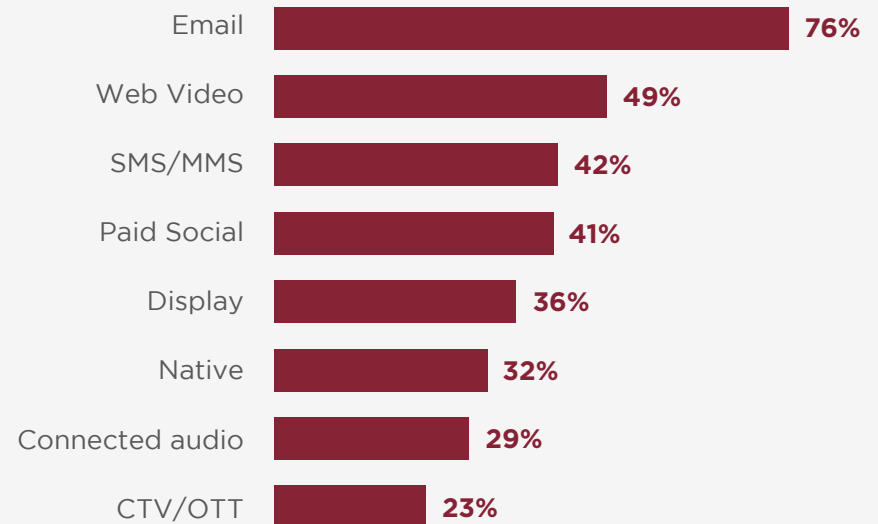
Bridging the gap between offline and online experiences with seamless integration is key to a successful program. Therefore, it's no surprise that **QR code usage is up among both consumers and marketers.** Competiscan industry data shows QR codes are included on 5% more pieces year-over-year, located on 26% of today's mailers.⁴ Consumers continue to lean into the tech, as nearly one in four consumers have scanned a QR code over the past 12 months, an increase of 4% from 2023.

Integrating direct mail/digital channels has a positive impact on campaign performance.



Does integrating direct mail and digital channels have a positive impact on campaign performance?

Plans to integrate Direct Response Channels into Direct Mail Strategy



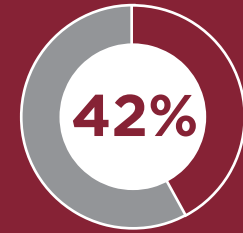
Have you integrated, or do you plan to integrate, any of the following direct response channels with your direct mail strategy?

Leveraging QR codes on mail pieces has many benefits. **Including a QR code provides an interactive element**, increasing curiosity by encouraging recipients to engage with physical mail digitally. The flexibility of choosing the response channel also increases the customer experience, resulting in higher engagement rates overall. Gathering data on how the audience interacted with the code allows marketers to track campaign effectiveness and measure ROI.

Another digital integration element that impacts campaign performance is a cohesive experience between online and offline strategies. **The likelihood of consumers visiting the URL included on a mail piece is up 3% this year to 42%**. Consistency between the mail piece and landing page reduces cognitive friction, making it easier and faster for the user to process information, and increasing the likelihood of response. This may be why the majority of marketers (87%) find that directing the audience to a landing page that is consistent with the mail piece drives more conversions than one that is not.

REALITY CHECK:

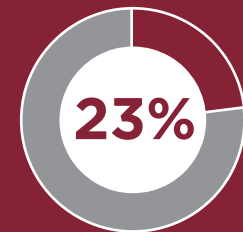
Consumer Insights



42% of consumers visit the URL included on the mail piece.



Email marketing is the second most influential advertisement on purchase decisions (television or video streaming ads are most influential).

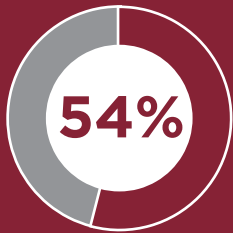


23% of consumers have scanned a QR code on a mail piece in the last 12 months.

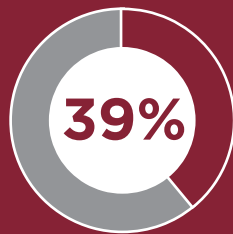


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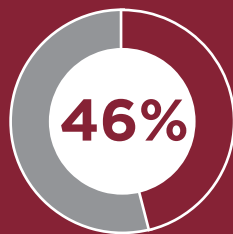
Consumer Insights



54% of consumers appreciate mail because they can keep an interesting piece and refer to it later.



39% of consumers dislike receiving irrelevant or impersonal mailers.



46% of consumers believe direct mail is not as environmentally friendly as other types of advertising.

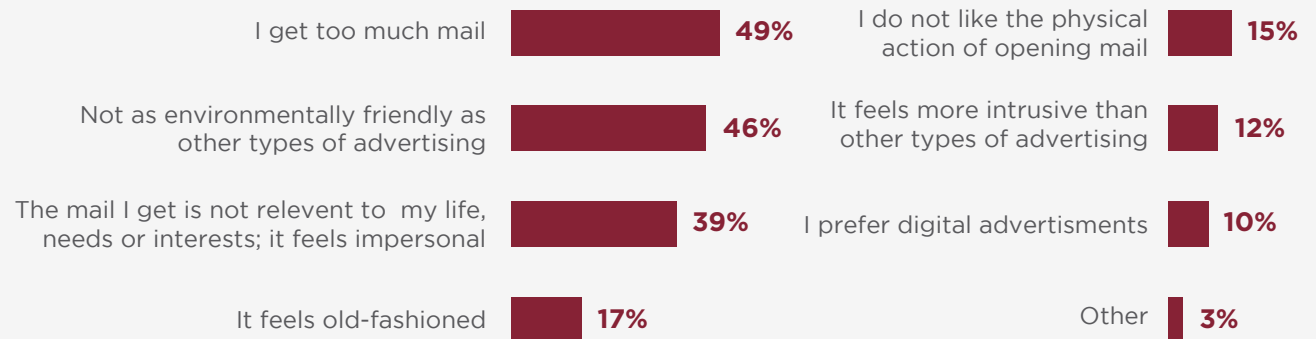
Sustainability

Although **67% of consumers enjoy receiving direct mail advertising**, there is a superficial perception that it is not as environmentally friendly as digital advertisements. We say superficial because when the Acceptable Ads Committee presented consumers with data about the actual environmental impact of online ads, the majority (61%) said it was more than they had thought.⁵ To address the consumer concerns surrounding sustainability in print advertising, marketers are prioritizing sustainable mail programs, especially those in larger organizations.

More than 70% of marketers agree that paper stock quality has an impact on brand impressions and campaign performance. By prioritizing eco-friendly stocks or those sourced from responsibly managed forests, marketers can align with consumer values while building trust, engagement, and loyalty from environmentally conscious audiences. There are a variety of options available, including eco-friendly coatings, recycled paper and FSC-certified products, and even sustainable inks. Many brands also include a “please recycle” message and/or a recycling symbol directly on their piece.

Optimizing targeting strategies and mailing lists is another approach to improving direct mail sustainability. Refining lists to create relevant and targeted campaigns reduces material and budget waste and helps build a positive brand impression. If the recipient finds the mail piece valuable, they are less likely to view the mailing as “wasteful.” In fact, **54% of consumers appreciate mail because they can keep an interesting piece and refer to it later.**

Reasons for Disliking Direct Mail Advertising



What do you dislike about receiving direct mail advertisements? Select all that apply.

MARKETER REALITIES AND STRATEGIES FOR SUCCESS

Overall, this year's challenges mirror those of our 2023 survey. Marketers indicate that direct mail's top challenges are audience targeting and data access limitations, followed closely by ROI/performance tracking and internal preference for digital channels.

Targeting and ROI

Direct mail automation software and online platforms are the most common ways marketers execute their direct mail programs, used by 40% of survey respondents. While these platforms may provide initial cost savings and a valued resource for internal teams, they also lead to notable challenges, which can include audience targeting and performance tracking. Here are two possible reasons for this:



In addition to using first-party or CRM data, automation platforms may offer limited or general audience segmentation options. The restrictions from these data sources can make targeting audiences with specific attributes and program scale challenging, especially in customer acquisition campaigns.

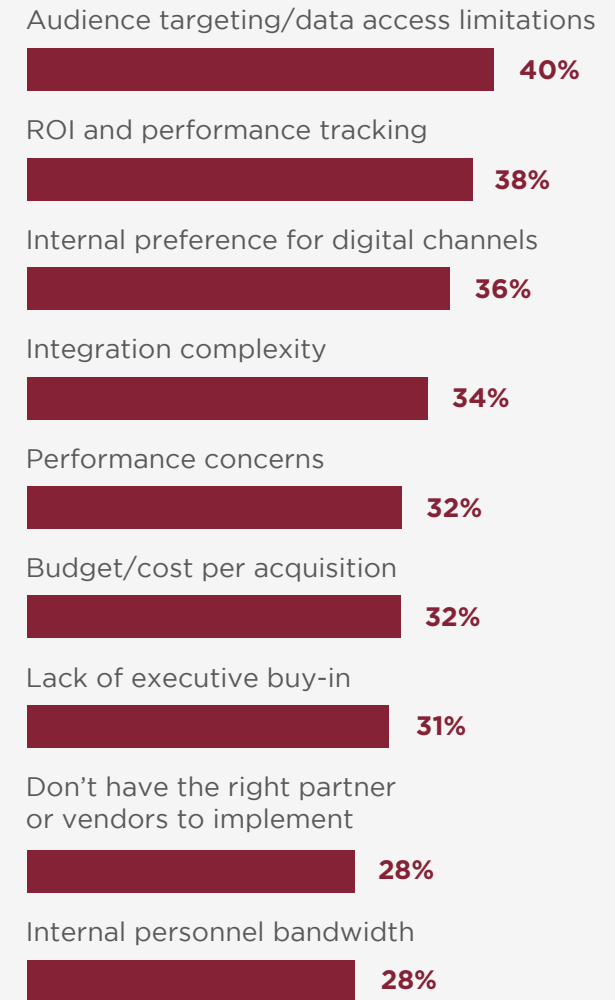


Automation platforms also rely heavily on algorithms and automated processes to execute campaigns. While these tools can help streamline, they may lack human insight when it comes to interpreting data, refining targeting strategies, enhancing production, and optimizing campaign performance.

Interestingly, marketers are equally sourcing their mailing lists from agency partners, data vendors, and CRM databases. While leveraging multiple data sources is encouraged, ensuring these data sources are clean and accurate is crucial. Segmented and personalized mail campaigns cannot be executed with bad data standing in the way. **Clean data ensures the audience will find the content relevant, eliminates duplicate records or undeliverable pieces, and mitigates regulatory violations — ultimately protecting your bottom line.**

The adage “garbage in, garbage out,” rings especially true when it comes to building effective direct marketing lists. The best-performing campaigns use highly targeted lists derived from detailed demographic, behavioral, and psychographic data. These granular insights allow for stronger data modeling, refined prospecting strategies, and a higher ROI.

Top Three Challenges of Direct Mail Channel



In your opinion, what are the top three challenges of the direct mail channel?

Preference for digital channels

Digital marketers have come to embrace online advertising channels with the same enthusiasm that direct mail marketers show for the mail channel. While the direct response mediums differ, the underlying reasons for respective channel love are similar. Marketers can expect polished targeting, cost-effectiveness, and measurable results.

Direct response campaign performance can be optimized when marketers leverage online and offline channels in tandem, especially when campaign objectives are customer acquisition and scale.



Digital “signal loss” has made it hard for marketers to identify, reach, and acquire new customers at scale. Consumer intent signals, transactional data, and behavioral insights that are used to build direct mail models can be activated for digital prospecting campaigns as well. This allows digital marketers to engage with qualified audiences outside of what online targeting could have achieved alone.



Direct mail has a reputation for being expensive, especially when compared to digital advertising. Yet, those who use the channel experience its value and efficiency on bottom-line performance and continue to invest. According to ANA’s Response Rate Report, direct mail’s ROI continues to surpass digital mediums.⁶ Our data found marketers are achieving similar CPAs with mail compared to digital channels.

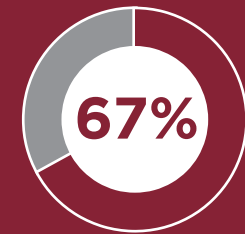


Retargeting and winback campaigns make up nearly 60% of direct response spending across channels. Outside of new customer acquisition, direct mail retargeting can be combined with digital efforts to drive e-commerce transactions that have gone stale, such as abandoned carts, incomplete form fills, and soon-to-expire loyalty perks.

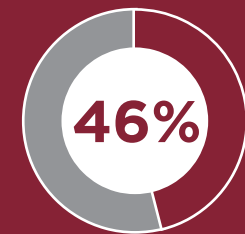
As the marketing landscape continues to evolve, the fusion of online and offline channels offers a pathway to effectively engage audiences where they are, optimize campaign costs, and drive compelling results.

REALITY CHECK:

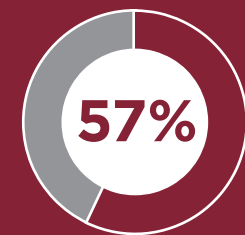
Consumer Insights



67% of consumers enjoy receiving direct mail advertising.



46% of consumers enjoy learning about new brands, products, and services through the mail – **up 6% from 2023.**



57% of consumers agree relevant product or service recommendations give a positive impression of direct mail advertisements.

CONCLUSION

Don't call it a comeback. Mail never left.

Despite a temporary decline in 2023 volumes, direct mail's performance has remained strong. Over the past 12 months, most marketers boosted their budgets and expect to further increase spending in the next 12 months. In addition, consumer engagement and enjoyment with the mail channel has also heightened. Trends like these indicate direct mail marketing will continue as a pillar channel for marketers seeking profitable growth.

The emergence of quality audience targeting data as direct mail's top advantage demonstrates that licensable data assets are critical for building, segmenting, and targeting audiences. Looking to the future, direct mail presents countless opportunities for optimization, whether through improved utilization of that data, innovation technology, or contemporary design formats. We expect greater integrations with digital advertising to reach new audiences, optimize CPAs, and drive conversions through personalized and cohesive campaigns.

Direct mail has always been present in the marketing mix. Just as it has over the last fifty years, the channel will continue to evolve in response to the changing needs of both marketers and consumers.

About SeQuel Response

SeQuel Response a Franklin Madison company is a comprehensive direct response agency that drives our clients to exponential growth through data-driven direct mail and digital marketing strategies. Through our proprietary testing methods, innovative data strategies, and deep understanding of direct response channels and best practices, we can launch our clients into a new growth channel or reinvent an existing program.

About ISG

ISG is an independently-owned, full-service market research firm offering strategic consulting and research capabilities to serve clients across a wide variety of industries.

Sources

1. "2023 Direct Mail Marketing Benchmark Report," SeQuel Response, 2023.
2. "Direct Mail Advertising - United States," Statista Market Insights, 2024.
3. "Outlook for Advertising, Marketing and Data 2024: A Market in Transformation," Winterberry Group, 2024.
4. Competiscan, 2024
5. "Sustainable Online Advertising," Acceptable Ads Committee, 2024.
6. "ANA Response Rate Report 2023," Association of National Advertisers, 2024.