Case Study: Royal Mail MarketReach

While using IPA TouchPoints data to scope the topic, the Royal Mail MarketReach identified that using life stage rather than age as a definition, provided clearer insights and a persuasive narrative for their objectives. TouchPoints original life stage data was the catalyst for the development of an Interactive Insight Engine tool that gives greater understanding of how audiences interact with mail.

Royal Mail
MarketReach

Understanding the relationship between life stage and mail

The Context

Historically, it has been the content of a medium that has defined its consumption, not the medium itself. Assuming literacy, availability and affordability, anyone could read a magazine or newspaper, watch TV, or listen to the radio.

Is digital media different? Its early adoption by Gen Xers and Millennials created a new social divide: digital natives versus digital immigrants. Would the natives be so deeply engaged with "their" channel that they would reject established, traditional media?

Clearly we had to explore how different age groups engaged with mail to understand how, if at all, the adoption of digital technology influenced consumers.

Depth, breadth – and credibility

MarketReach regularly commissions independent research from both proprietary and subscription providers in order to help advertisers maximise the effectiveness of their investment in mail. This programme is a core strand of our strategy. The results are published in reports which are presented to our key audiences and also freely available on our website (www.mailmen.co.uk). Our reports include a range of sources and types of research: from mainstream qualitative and quantitative fieldwork to ethnographic, neuroscientific and tactility techniques.

Key to the success of this activity is that the research findings provide real insight and deliver value to all types of marketers. TouchPoints not only provides this, but has the additional benefit of being respected by our target market. In this study, it provided the spine of our investigation, and was fleshed out by additional qualitative research including diary work.

Research defines the objectives.....of the research

Our initial objective was simple and focused: to understand how consumers of different ages engaged with mail, from opening and reading to displaying, sharing, responding and keeping.

Had we been commissioning new independent research to investigate this we would have defined age breaks as a key filter. And had we done so we would have wasted our money.

In examining previous quantitative and qualitative research – and exploring both TouchPoints and TGI findings – by age groups, we found that the differences between different cells were generally not significant. There was evidence of some (marginal) trends, but the findings were inconsistent and inconclusive. Despite digging deeper, it was clear that the primary finding was that despite receiving different amounts and types of mail from companies, consumers of different age groups engage with mail in very similar ways but with some peculiar, marginal and erratic differences.

We had the answer to our initial query. But we wondered if there was another more insightful perspective we were missing.

The depth of TouchPoints questioning meant there were many alternative ways to filter the data that could reflect age groups, while focusing on an alternative dimension. By re-examining the data using life stage as a filter we found the 'peculiar, marginal, and erratic' findings realigned themselves in to a powerful insight that provided a clear, insightful and persuasive narrative that illuminated both the similarities and differences between people.

As a result, we changed the essence of the objectives from 'age' to 'life stage'

Creating a model that's fit for purpose

There are tens of life stage models available; some have as few as four groups, others as many as forty. What was the 'right' model to use? We based our selection on what was useful and applicable for our customers, rather than that which gave us the 'best' results. Our reasoning was simple: the best model in the world was of no use if it couldn't be used.

Three key factors guided our life stage selection:

1. A number small enough that our clients could afford to create differentiated communications, but large enough to identify key differences.
2. A model that was applicable using geodemographics, so companies could easily overlay the model on existing customers and accurately target prospects.
3. A model that was focused on who people were living with. Sharing, displaying and discussing items of mail are critical mail interactions, impacting measures of engagement and commercial value.

We set out to build on our understanding of mail, developed from working with most of the UK's largest public and private companies and supported by our previous research insight reported in studies such as The Private Life of Mail. Having recognised that analysing consumers by life stage would deliver the most insightful approach, IPA TouchPoints offered the perfect insight platform. It allowed us to explore consumer attitudes and behaviours to develop a bespoke targeting model that took into account a number of variables which were sensitive of modern household dynamics. We soon found interesting similarities and distinctive nuances. With these we crafted and tested life stage approaches to find the one that would give us a set of audiences that were most distinctive, yet also large enough to ensure reliable insight. Ultimately, we selected a seven group solution – our Life Stages of Mail.

These groups clearly had an age component, but also extended beyond it. For example, more than half of the Fledglings – adults living in their parent's homes – and of Sharers – adults living with other adults in a communal accommodation were between 18 and 24. But how they engaged with mail was very different. And the in-depth data regarding attitudes, behaviours and financial concerns allowed us to understand why, and how to leverage the differences.

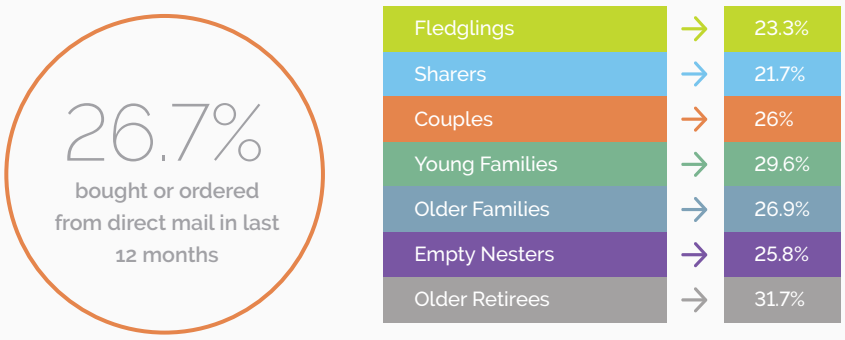
Fledglings
Sharers
Couples
Young Families
Older Families
Empty Nesters
Older Retirees

The elevator pitch – and much, much more

At the top line, the findings again showed that people of all ages engaged with mail. We quantified this using claimed response to mail, as this is the metric that most marketers associate with the channel:

All life stages read, engage and respond to addressed mail

By life stage, all groups cluster close to the average



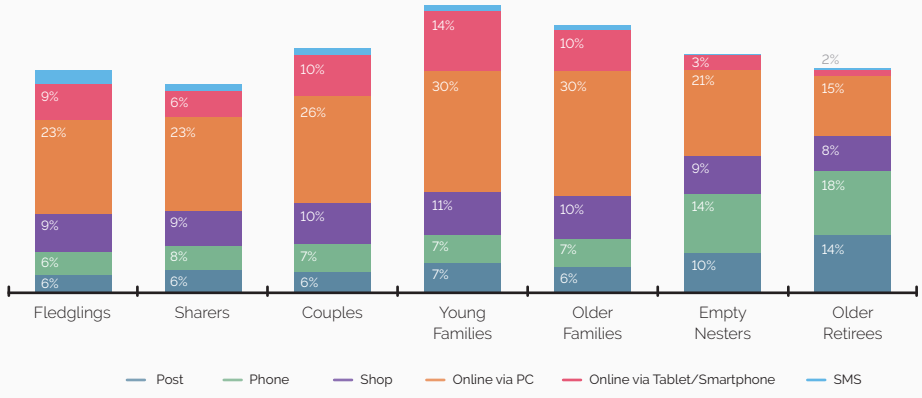
Source: TouchPoints/TGI

As might be expected, older stages were more likely to say they had responded to addressed mail than others: but using indices we could show that no group was more than 20 points above or below the mean. There were differences, yes, but no group rejected mail.

To illustrate the differences between the groups, and to highlight the real impact of digital devices, we again used one chart as an example: the channels used by those that responded:

... But how they respond varies

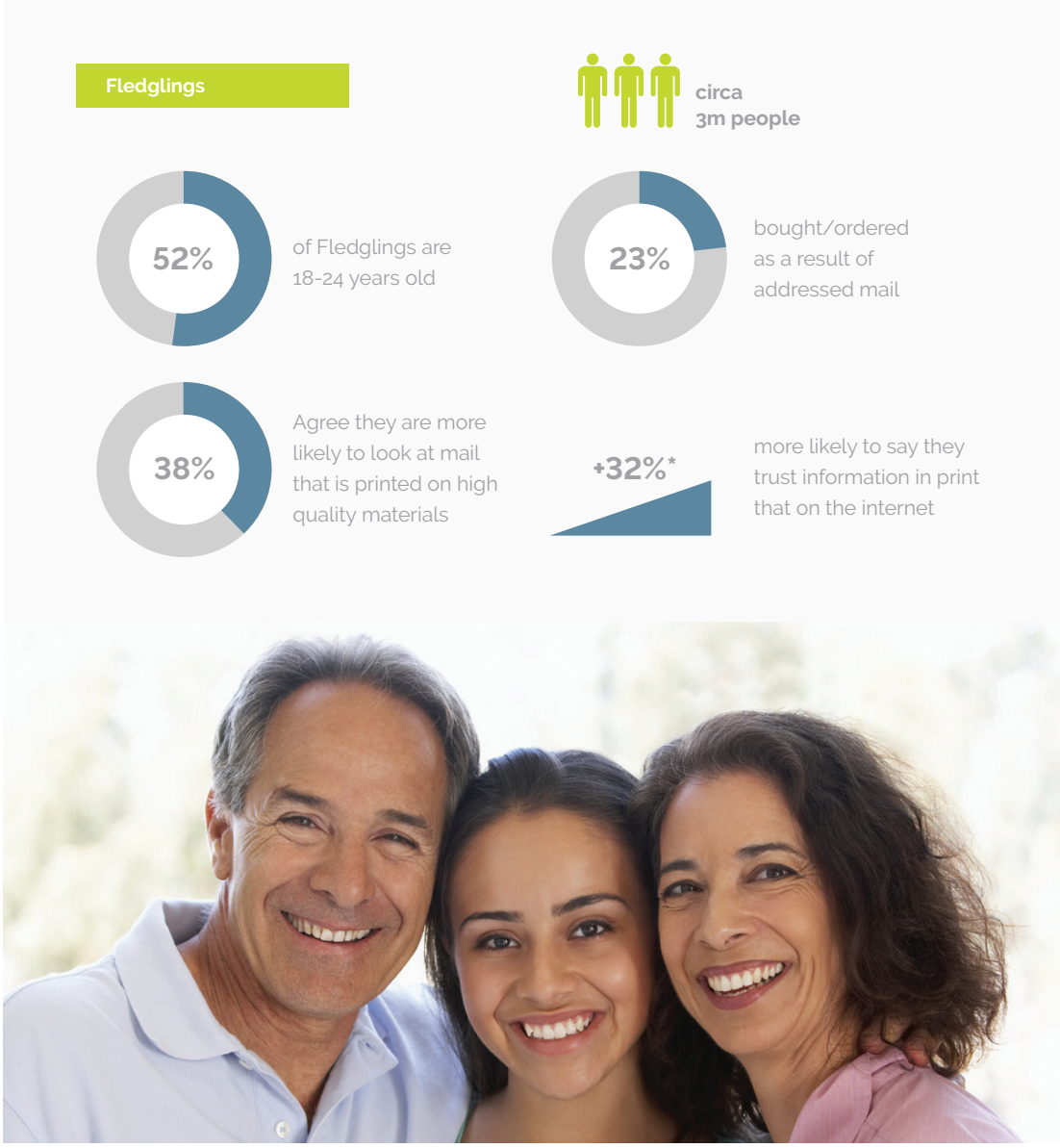
The channels used by those who bought/ordered varied by life stage



Source: TouchPoints/TGI

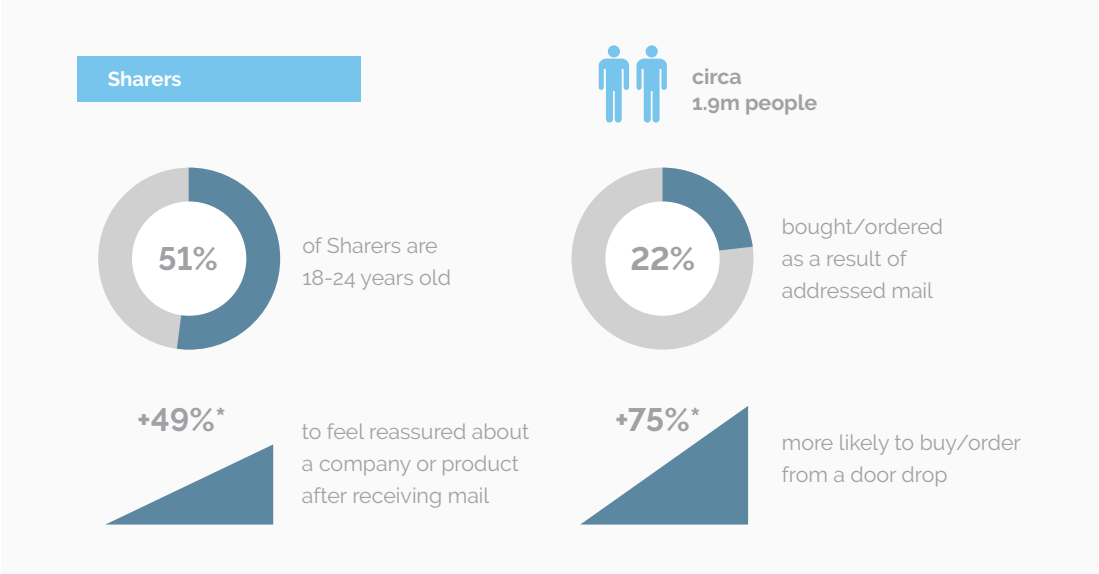
We concluded that the real impact of the digital revolution on direct mail was not on consumers' consumption of mail but how they responded to it. We think of omnichannel as a description of how we send messages to the consumer – but in fact, response behaviour is just as multifaceted.

By drilling into the data for each life stage we could bring out insights about their attitudes and behaviours in ways that could help advertisers optimise messages for each group. When speaking about Fledglings, for example, we highlighted the relative importance of the creative look and feel of an execution so that it stood out as 'for me not my parents'…



** Index Percentage. Source: TouchPoints/TGI*

…whereas for Sharers we realised that door drops had a crucial role to play as both a format this group found particularly useful and because they are on fewer databases.



** Index Percentage. Source: TouchPoints/TGI*

The result

The result was a significant report that provided a great deal of depth about the nature of each life stage. It delivered recommendations to help guide the targeting and creative development of relevant and useful mail for each group.

These insights have served as a main pillar of our recently launched Mail Toolkit on mailmen.co.uk providing information, insight and intelligent views on the value of mail. They also underpinned a bespoke quantitative research study that has transformed the original TouchPoints life stages insight into an interactive Insight Engine Tool that gives all marketers access to a greater understanding of how their audiences interact with mail.

In addition, we sent the report to several people in creative agencies, media agencies and advertisers and the feedback was extremely positive.

Read the full report at http://www.mailmen.co.uk

"This is a great piece of work challenging the 'perceived' wisdom that direct mail is dead (especially for younger groups). Direct mail has always proved successful when combined with multiple means of response however this report goes further and talks about the added value mail can bring in demonstrating the ability to create mental availability and so enhance the brand experience…

The tangible nature of mail is also a good call out as it talks to the ability to prolong brand impact beyond the initial exposure and finally it's great to have solid metrics that support the use of mail as part of a mobile or shareable recommendation"

Catriona Henry, *Global Strategy Director, PHD*

" I found this research both enlightening and somewhat reassuring too. We know mail works, and have seen your previous research on this, but this report helps us to understand why it works, and also gives some useful practical advice that I will be sharing with my creative and media agencies. I want to think about how to apply these insights into our existing segmentation, with a view to formulating some test plans."

Duncan Clayson, *Senior Marketing Manager, Boots*

"I found this a fascinating read as to how the different life stages consume mail. Some of it was counterintuitive and surprising. It puts mail in context – how it's consumed and how it sits with other channels. Everyone assumes it's all about digital but everything is maturing and consumers are multichannel so it's not 'either or' but often 'and'….

I'll definitely be showing this to the rest of the agency and build relevant insights into client presentations – even those who have not thought about mail."

Ian Hayworth, *Global ECD, Wunderman*

"It's easy to assume that because a brand's customers are highly digitally active that digital channels are the way to reach them, but this report tells us that mail can really stand out for this audience since they don't get much. Mailing Fledglings could give a competitive advantage and this is something I'm keen to explore with my clients…

I think this insight will really help us in conversations with clients. Yes, we live in a digital world, and digital channels are great but they can work much harder when mail is included in the mix and especially when that mail is highly targeted and personal. Thinking about audiences by life stage is really helpful."

Marius Bartsch, *Integrated Partner, J Walter Thomson Worldwide*