



Increasing Direct Mail Response and ROI with Augmented Reality

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Direct marketers have long known that touching or experiencing a product in some way – even for a brief time – is more likely to bring about a purchase or an upgrade. It even helps to become more involved with the mailpiece, thus explaining the widespread use of everything from stamps and stickers to coupons, scratch offs and other devices. Simply put, the more involving and interactive the mailing, the more successful it is likely to be.

Now digital technology has opened an entirely new realm of possibilities. Leading the high-potential pack is augmented reality (AR), which offers two important features:

- **Message Expansion.** Simply scanning your mailpiece with a mobile device allows recipients to: 1) access videos demonstrating your product or service, 2) select customization options such as how a product looks in their room, 3) view pricing, payment and special discount options, 4) locate nearby retail outlets and contact information.
- **Connects the Analog and Digital Worlds.** Virtually every study shows that integrated, multi-channel campaigns produce the best results, and AR brings the best of print and digital technologies into a powerful combination.

The purpose of this white paper is to inform marketers about the growing opportunity to improve campaign outcomes by incorporating AR into direct mail.

Is Direct Mail Relevant?

You might still be wondering why you should bother with the direct mail element at all. Here's the reason why integrating direct mail is important: With a higher conversion rate than any other medium, the Print on Demand Institute (PODi) found that direct mail out-pulled all other channels tested. This is true both for lead-generating "free" offers and one-step "buy now" offers. Direct mail's edge becomes even more dramatic when it is optimized with personalization and other factors, and combined with personalized landing pages.

[Source: Online Marketing Institute, "Why Direct Mail Still Yields the Lowest Cost-per-Lead and Highest Conversion Rates," 2012.]

AR offers still another level of sophistication that can potentially improve results even more. Let's explore how.

What Is AR?

AR is technology that combines virtual reality with the real world. The present AR world deals

with live video imagery that is digitally enhanced with computer-generated graphics. For instance, a user might wear translucent goggles or, more commonly, view the screen of a camera-equipped mobile device where they can see the real world as well as strategically placed computer-generated images.

The software recognizes a particular pattern, such as a symbol or mobile barcode, on the analog piece when a camera points at it, and then overlays a digital image at that point on the screen. If the image is three-dimensional or animated, the effect is a digital experience unfolding on the analog surface where the pattern is printed.

An important issue is that of successfully integrating computer-generated images within the real world. They need to be realistic and useful to be truly beneficial to the user. Otherwise, they are not likely to generate the desired marketing response.

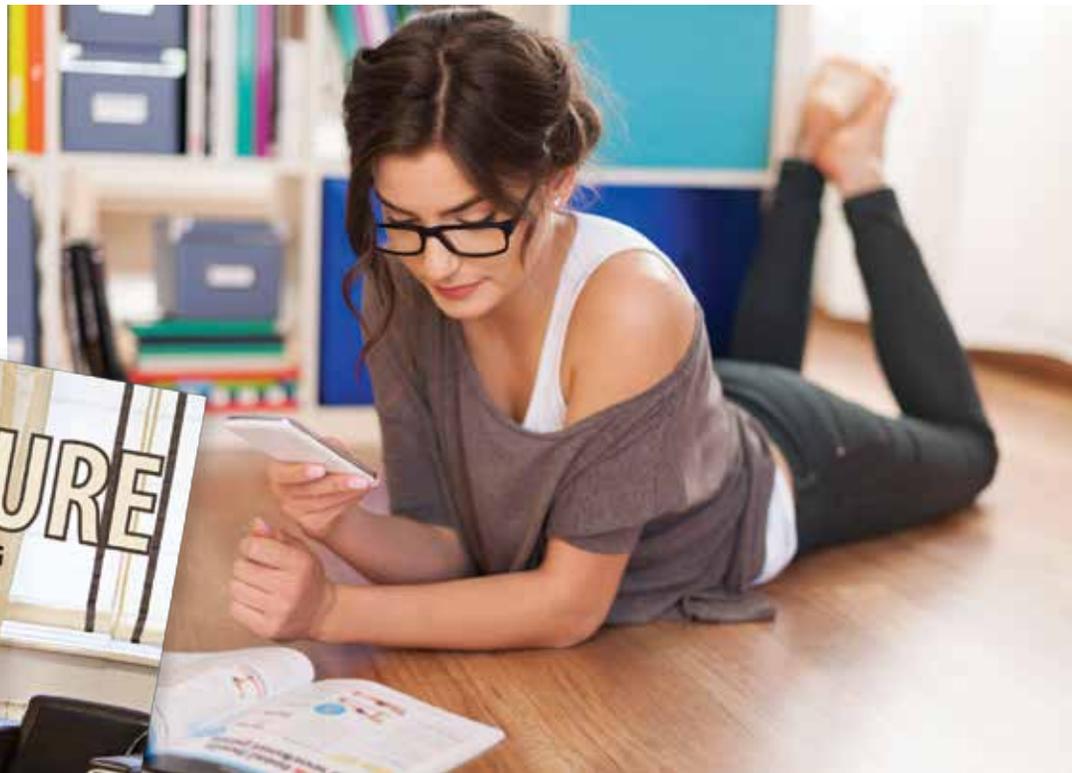
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Lots of innovative marketing technologies come and go. They gain a degree of popularity for a time, and then fade into the sunset. Sometimes they even find a longer-term niche but never make it into widespread use. In the graphic arts world, technologies like lenticular printing come to mind. Its three-dimensional look is cool, but a variety of factors limit the technology's use.

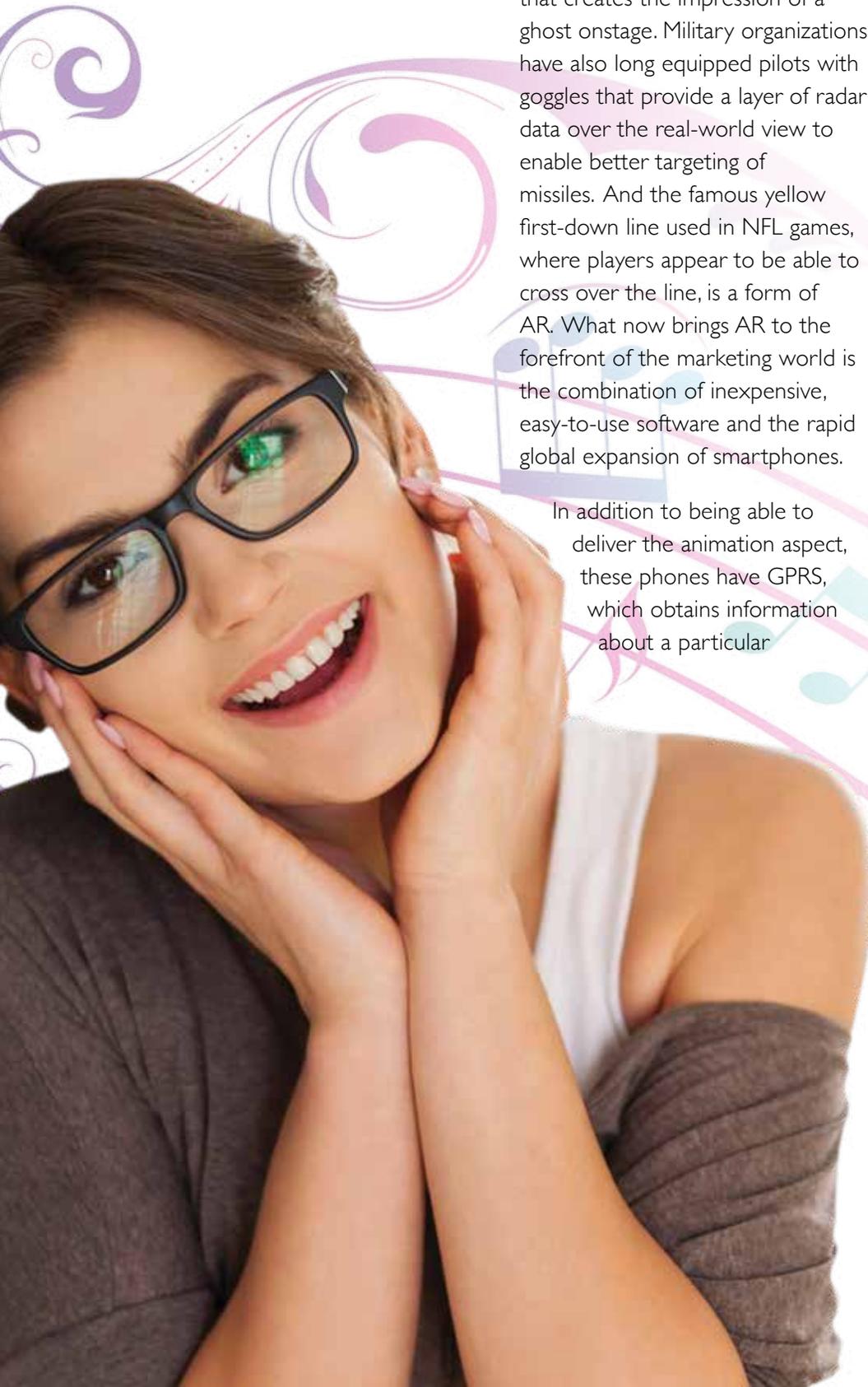
One of the big decisions for marketers and service providers alike is choosing which technologies will have staying power and help

advance their businesses over the long term. Many believe that AR has groundbreaking potential to change commerce as we know it. AR meets a number of important success criteria:

- Connects the print and the digital worlds in our increasingly integrated marketing environment
- Cost-effective and easily implemented
- Suitable for highly targeted or mass campaigns
- Fits naturally into the constantly expanding mobile world



It'll Floor You! The recipient is directed to the App Store or Google Play Store where they can download the free AR app. Then they simply point their device at the AR-enhanced image for an unforgettable experience.



Older Than You Think

AR has actually been around for a while. One of the earliest examples is the double exposure technique that creates the impression of a ghost onstage. Military organizations have also long equipped pilots with goggles that provide a layer of radar data over the real-world view to enable better targeting of missiles. And the famous yellow first-down line used in NFL games, where players appear to be able to cross over the line, is a form of AR. What now brings AR to the forefront of the marketing world is the combination of inexpensive, easy-to-use software and the rapid global expansion of smartphones.

In addition to being able to deliver the animation aspect, these phones have GPRS, which obtains information about a particular

geographical location. This information can be overlaid with tags and enable images, videos and other elements to be superimposed onto the selected location.

Mobile handheld devices such as the Apple iPad or Galaxy Tab S are other ways to use augmented reality. They contain software, sensors, a compass and soon-to-come digital projectors that display images onto real world objects.

Anyone with a mobile phone, tablet or laptop with built-in video capability can augment and extend their reality with easy-to-use applications.

Augmented Reality vs. Virtual Reality

There are differences between the two, mainly related to the level of immersion. Virtual reality is based upon a complete simulation of a real-world environment in which the user explores and interacts through a head-mounted display and input device. Users completely immerse themselves in the virtual environment.

In augmented reality, the user sees the real world but with the addition of computer-generated images overlaid on various objects within the analog environment. There is no attempt to replace the real with the artificial, but rather to enhance real life with artificial images.

A Multitude of Uses

Augmented reality marketing strategies are being applied in a variety of ways and with impressive results. Here are some examples of how direct marketers are successfully using AR:

Ikea Catalog

Ikea's decision to make their catalog more powerful and compelling through the use of AR is one of the more widely known applications. Their objective was to take a wide range of products with very diverse user groups and build appeal without increasing the number of printed pages. The solution was to build an AR app, accessible from the app store, that would help customers better understand the potential of Ikea products.

It worked like this: At the top of each catalog page was a symbol recognizable by the app. When a mobile device scanned the page, the app brought new content to the screen related to the page the consumer selected. So the viewer might see additional colors, collections, patterns or environments. Since the app worked in real time, Ikea could easily update any product information immediately.

In addition, the app offers more content about various green products from Ikea, refurbishing products they have in their stores and more detailed information about the company's commitment to social responsibility.

[Source: Granger, Janet, "Online & Mobile Elements Your Direct Mail Should Include: Augmented Reality," Pitney Bowes, February 17, 2014]

BBC Direct Mailer

The British Broadcasting Corporation (BBC) is the world's first national broadcasting organization, having provided coverage dating back to 1922. No one doubted its reporting prowess, but the BBC's management wanted to shake a reputation for stuffiness compared to its U.S. counterparts. When the BBC consolidated its multichannel broadcasting services under one roof and moved to a new building designed specifically for news dissemination, management decided it was time to revitalize the BBC's image.

To demonstrate how the BBC had reinvented itself for the digital future, agency Gyro-London used AR to give the target audience an in-person tour of the new state-of-the-art facility. They orchestrated the virtual tour through an interactive, pop-up direct mail piece and AR app titled "Engage More."

The 3D pop-up model appeared when the recipient opened the direct mailpiece and the copy invited them to launch the AR app that initiated a 360-degree exterior view of the new building. Participants could enter the building by tapping the front door where BBC reporter Komla Dumor would begin to lead a tour. Upon completion, visitors were directed to a website that provided

With AR You Can...

- Link images directly to an online store that lets customers shop directly through a catalog or magazine
- Bring customer service or product manuals to life
- Provide product demos
- Offer customer testimonials
- Show multidimensional product views
- Encourage social sharing
- Provide "try-before-you-buy" scenarios with clothing, furniture, etc.
- Create an in-store experience
- Augment events and conferences to help attendees

more information about how changes at the BBC would benefit their clients.

The mailer saw an average 8.8 percent response rate, more than double the average reported by the Direct Marketing Association. The app was downloaded 374 times and launched 1,966 times, which translates to each user likely engaging with the app a minimum of four times.

[Source: Shiff, Allison, "BBC Newsroom Comes Alive Through Digitally Enhanced Direct Mail," *Direct Marketing News*, July 14, 2014]

Victoria's Secret

Unlike many retailers struggling to build mobile apps that keep consumers coming back, lingerie marketer Victoria's Secret excels. Its highly successful, college-focused Pink campaign took a different approach by integrating an app with traditional channels, including direct mail. The retailer's iPhone and Android app provided additional digital content unlocked by hovering a mobile device over the company's direct mailpiece. A call-to-action popped up when the app was first opened.

When the user clicked through the app to the augmented reality feature, a landing page showed a mobile coupon redeemable in-store by showing a screenshot of the offer on a phone. The coupon offered a 15 percent discount off of a new college-themed collection that rolled

out in stores in early July, perfectly timed for the back-to-school shopping season.

The landing page also featured a couple of calls-to-action for promotions, including a user-generated campaign focused on new college students. The promotion asked consumers to complete an online form with an attached photo of themselves and type in where they planned to attend school.

But Victoria's Secret apps don't solely focus on driving sales. They also integrate content like games and weather forecasts designed to drive repeat usage. Most importantly, the apps integrate proven direct mail with mobile technology to provide a level of engagement that the retailer finds invaluable.

[Source: Johnson, Lauren, "Victoria's Secret's New App Mobilizes Direct Mail – Latest retailer to embrace augmented reality," *Adweek*, May 28, 2014]



See for yourself!

Scan the code at right with your smart phone or tablet to download the appropriate application. Then simply point it at our rock star friend and enjoy the show.



Ripon Printers

As a provider of augmented reality, we naturally had to get into the game ourselves. Our most recent effort incorporated a little AR fun into our annual holiday card. Of course, the heart of our holiday greeting remained the charitable donation we make in the name of the recipient to one of six non-profit organizations from which they may choose. But we also wanted to add an AR dimension that would expand our message beyond print.

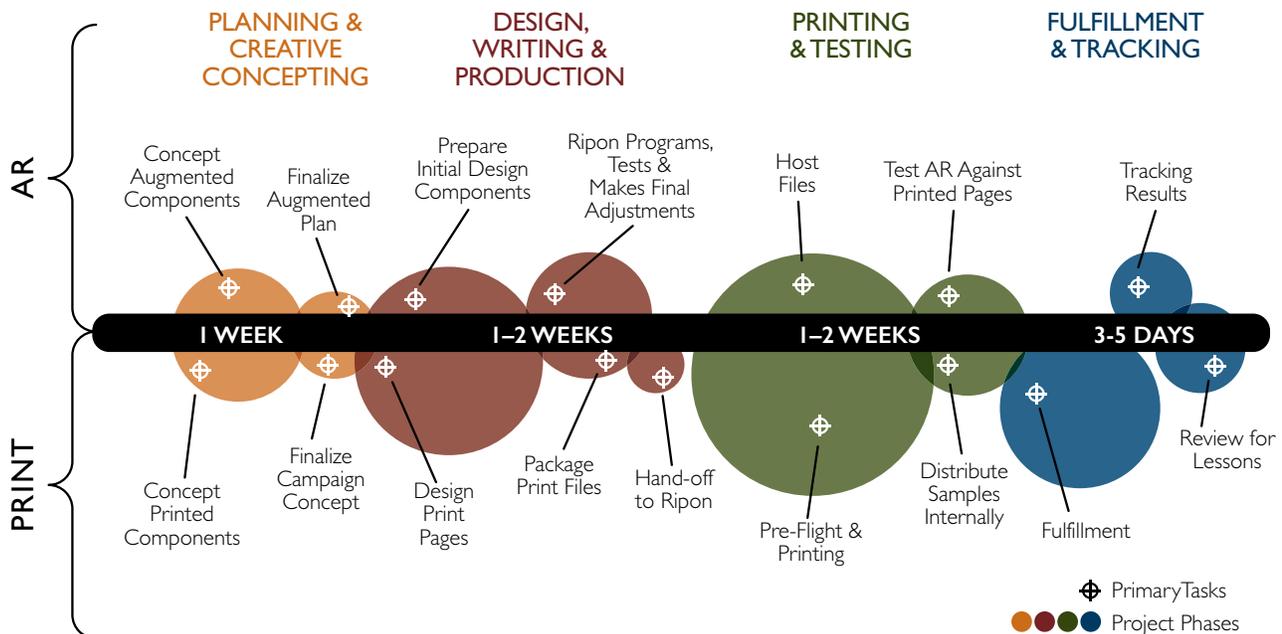
Recipients were asked to scan the QR code inside the card to download the application for either IOS or Android.

They were then instructed to aim their mobile devices at the image on the cover of the card to experience AR features like animation and sound.

Finally, we invited recipients to save the printed card and come back to it on December 31. On that date, we changed the AR to help them welcome in the New Year just as if they were standing in Times Square. Approximately 93 percent of the New Year's visitors had previously viewed the campaign.



Integrated AR Workflow



About Ripon Printers

Ripon Printers serves both B2B and B2C direct marketers, producing catalogs and a wide range of direct mail products. Linking our capabilities together is an obsessive devotion to customer service that places your satisfaction above any other business goals.

Through Traxion Marketing Support, we offer a complete range of print solutions that includes coldset and heatset web printing as well as sheetfed and digital printing. Whatever your needs, Ripon Printers has the right fit. A variety of integrated multichannel capabilities complement our print production, fulfillment and distribution services.

Step into the World of AR with Ripon

You can easily make your print materials come alive with AR powered by Traxion Marketing Support. We can enable a variety of AR interactions including video, music, 3-D modeling, web, phone, email and social media. Ripon Interactive is a robust yet cost-effective AR solution geared toward increasing your marketing ROI.

Extending your integrated multichannel and interactive campaigns with Ripon Printers is easy and hassle-free. To learn more about our broad range of services, please contact your representative or send an email request to sales@riponprinters.com.

Ripon's Interactive Marketing Services

- Augmented Reality
- Mobile Barcodes
- Digital Editions
- Personalized URLs (PURLs)
- Integrated Campaign Management & Reporting

We offer print and digital products, services and tools that can be used in concert to reach shoppers at different touch points in the buying process and increase the chances of a sale.



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