Prospecting with Precision:
Overcoming Digital Signal Loss Through Offline Data Strategies
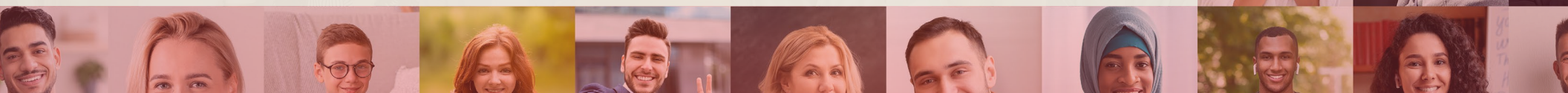
FRANKLIN MADISON
DIRECT

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As a seasoned marketer and DTC pioneer, the once-straightforward digital targeting tactics that propelled your brand to success are now faltering, and you may be struggling to adapt to the new era of digital marketing.

You're not alone.

In the last few years, there has been a wave of disruptions to the digital direct marketing industry. Some may even consider it a digital data crisis given the impending elimination of the third-party cookie, tightening of privacy regulation on consumer data, always-sprouting walled gardens, and consumer's own privacy-related actions. The term **"signal loss"** has become an all-too-familiar expression in daily meetings and industry chatter.

Deloitte research found companies across industries are at risk of losing an average of

$91 million - $203 million

in revenue per year due to the impact of signal loss on advertising effectiveness.

While there has been understandable handwringing among marketers over the lost connection between pixel fires and actual business outcomes, new digital prospecting strategies are emerging to address these challenges and bridge the gap. This e-book provides valuable information on building a potent multichannel digital prospecting strategy that can help you protect your campaign reach, ROAS, and CAC. You'll find expert tips for creating accurate identity graphs, optimizing impression frequency, and futurizing your digital advertising.

Are you ready to prospect with precision?

What determines data quality?

Accuracy: is your data error-free and validated?

Completeness: is your data comprehensive?

Reliability: is your data source reputable?

Relevance: is your data relevant to your audience?

Timeliness: is your data current?

In addition to the five factors shared above, data privacy is also an essential aspect of data quality. All consumer data you interact with must be stored and used in compliance with current privacy laws and regulations.

# The critical role of data quality

When you commit valuable advertising dollars to a direct marketing campaign, it's crucial that you're confident in the accuracy of the data that fuels it.

Salesforce reports that data quality is the top success factor for driving overall growth and customer experience. Yet industry research from Measured and Sequent Partners states data accuracy and targeting restrictions are a top concern. Our own industry research aligns: when we asked marketers to identify their greatest future direct mail concerns,

> BEST PRACTICE
>
> **Data/Analytics**
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> Use a deterministic identity graph to connect consumer identifiers and target prospects accurately across channels.
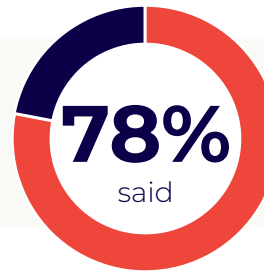
78% said "reaching my audience due to increased data security regulations for offline data/ modeling data."

Put simply, marketers rely on data quality but struggle to find quality data.
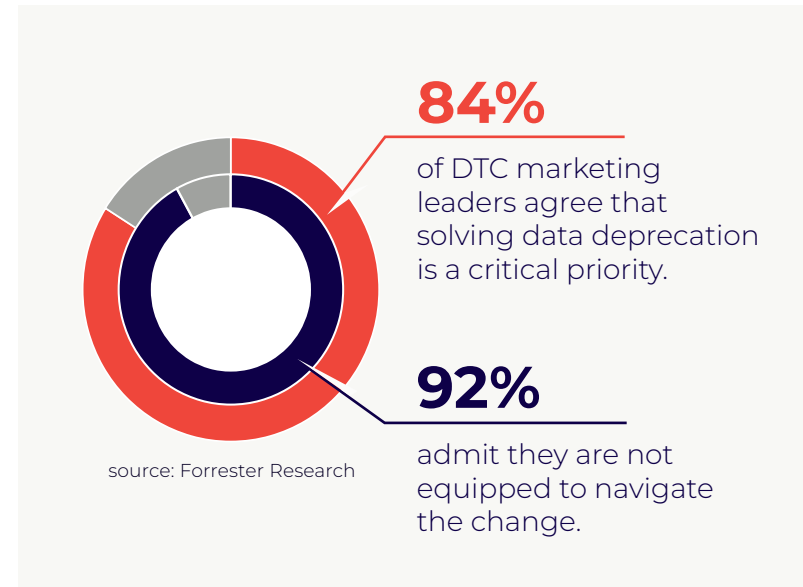
Quality data is essential for successful direct response campaigns because it enables you to effectively reach your target audience and ideal customers while protecting your marketing budget from wasted spend.
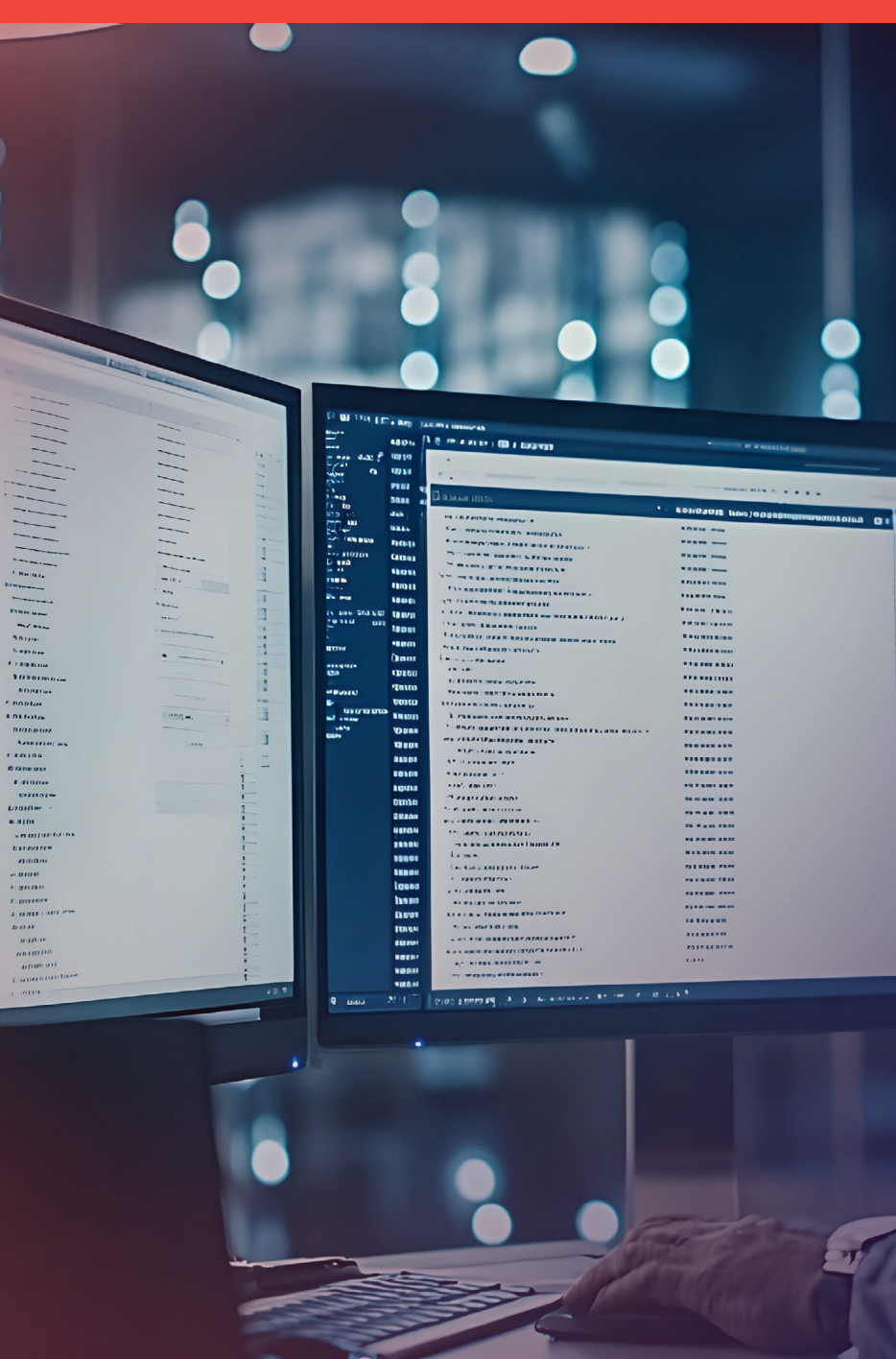
What is offline data?

In today's digital world, many direct marketing campaigns are charged by online programmatic data, making it easy to forget about the industry pioneer: offline data. The reason direct mail marketing is still a customer acquisition and retention powerhouse is its use of polished offline data during predictive modeling and list building.

Offline datasets are based on highly accurate demographic, transactional, behavioral, and other valuable intent signals. Collected from an offline source and anchored to an individual's name and physical address, this type of people-based marketing data is inherently more predictive of actual consumer behaviors than probabilistic online data sources.

When you consider that **Forrester expects offline sales to account for 72% of all retail sales in 2024**, you can see the value this data type offers to direct marketers.

84%

of DTC marketing leaders agree that solving data deprecation is a critical priority.

92%

admit they are not equipped to navigate the change.

source: Forrester Research

HERE ARE FOUR REASONS WHY OFFLINE DATA DELIVERS:

1 **It is dependable and accurate.**
Offline data, tied to individuals' names and addresses, provides essential demographic, behavioral, and psychographic information for effective audience segmentation and predictive modeling in direct mail campaigns, ensuring relevant and appropriate messaging for each recipient.

2 **It allows for precise targeting.**
Predictive modeling utilizes customer insights and data science to create ideal customer profiles, generating hyper-targeted prospecting models through "lookalike" and "two-stage" processes.

3 **It is scalable.**
Credible direct marketing agencies leverage second and third-party data to expand their audience through diverse consumer models, optimizing performance as campaigns grow and incorporating new data sources. Data scientists employ complex analytics and a proprietary machine learning algorithm to generate new data points by constantly reviewing, sorting, transforming, and updating variables.

> Companies like Epsilon manage information from over **200 million US households**, illustrating the vast scale of data that's available.

4 **It can boost multichannel campaign performance.**
Combining offline attributes with online intent not only provides deeper insights into consumer preferences. It has been proven to increase response rates and improve customer retention while reducing customer acquisition costs (CACs).

But the best part about offline data is that it doesn't have to stay offline …

Campaign management and data partners

Due to the assortment of offline data sources available, there are many ways to build a targeted prospecting list tailored to your campaign goals and budget. Collaborating with a reputable data partner is essential to ensure you're receiving high-quality, permissioned data.

> BEST PRACTICE
> ## Digital Strategy
> Optimize impression frequency based on the channel and product to avoid annoyance and maximize action-driven results.

The skill sets and resources required for data append and retrieval, preparation, and modeling are strenuous on timelines and resources for many in-house marketing teams. Maintaining quality during data processing and integration is crucial to the overall performance of your campaign, both in response and budget. This is where direct marketing agency partnerships shine.

Chances are high your digital prospecting strategy includes programmatic advertising – using automated technology to mediate the process of buying and selling digital advertising. The efficiency of real-time bidding, paired with targeting opportunities, helps maximize audience reach, increase conversions, and optimize ad spend.

Yet, managing programmatic advertising campaigns can be daunting, even for seasoned marketers. **There are various factors to consider, such as complex data sources, ad formats, targeting options, and concerns about fraud and safety.** Regular tech updates can also add to the challenge. However, partnering with a team of digital media experts can help ensure that your ad buys are optimized to deliver on performance goals.

Why human expertise is crucial for successful programmatic ads

A NA's Programmatic Media Supply Chain Transparency Study suggests brands may be prioritizing cost over value with blind spending on wasteful and inefficient media buys, including spending 15% of advertising budgets on made-for-advertising (MFA) websites (i.e., clickbait and filler content) due to the nuances of campaign management. This level of waste not only diminishes programmatic ad campaign performance but can also negatively influence brand reputation and trust.

Currently estimated at

$88 billion,

the global programmatic display advertising market is expected to reach **$2,772.7 billion by 2028** (ANA).

A human team of experts can offer brands struggling with programmatic campaign inefficiencies the following:

Quality control.	Continuous monitoring.	Audience targeting precision.	Performance transparency
Human-verified inclusion lists and manual site audits can mitigate the risk of your advertisement appearing on inappropriate or low-quality websites and apps. Additional safeguarding via IP filters can block low-quality sources while machine learning methods can identify non-human traffic.	Human talent can proactively monitor your campaigns with real-time performance data to identify underperforming placements and modify inventory controls to maximize the value of every impression.	A skilled team of data scientists can leverage offline data attributes to build your ideal customer model, and that modeled list can then be activated in digital environments to only target your best audience and eliminate wasted impressions.	Another benefit of onboarding custom audiences to fuel programmatic targeting is that you can match sales back to your original audience list to make data-driven decisions and efficiently allocate resources for future programs.

Your digital marketing partners must be committed to ensuring the efficient and effective use of campaign budgets to maximize ROAS while driving new customer acquisition and growth for your brand. Select a team that is highly certified and experienced in programmatic ad tech and understands its complexities. Your digital agency should only work with the industry's most reputable and ethical data partners and ensure you know where your audience data is coming from and how it's being used for targeting and optimization.

Introducing OmnIDirect™: A dynamic prospecting strategy

OmnIDirect has helped brands reduce CPL and CPAs by **more than 25%.**

We've discussed the critical role data plays in campaign success, educated you on offline data, and explained the importance of the right digital campaign partners. Now it's time to meet your new digital prospecting strategy, OmnIDirect.

OmnIDirect leverages FM Direct's proven expertise in predictive modeling, test design, data onboarding, direct response creative, programmatic media, and analytics to provide brands with a potent multichannel digital strategy by activating offline data models in online environments. Through deterministic matching of offline audiences to individual consumers and their associated devices, you can deliver engaging digital campaigns across display, native, video, CTV|OTT, paid social, and audio. Known consumer identifiers, such as a physical address, typically result in higher accuracy and confidence in deterministic identity graphing for 1-to-1 targeting while safeguarding advertising budgets.

This new approach to digital marketing is granting brands a powerful new digital prospecting strategy to reach your ideal prospects and maximize your growth—faster.

BEST PRACTICE

Data/Analytics

Measure both primary and secondary conversions to gain valuable insights into campaign performance and prospect progression.

Making a Switch

Your agency partner should offer valuable expertise, resources, and support to help you create effective direct mail campaigns that maximize your return on investment. Moving your direct response program to a new agency requires careful planning and execution.

Start by evaluating your current strategy to identify areas that are working and areas that could benefit from improvement. If your current agency is hindering your success, it's time to research potential new partners and thoroughly assess their capabilities, transparency, and communication.
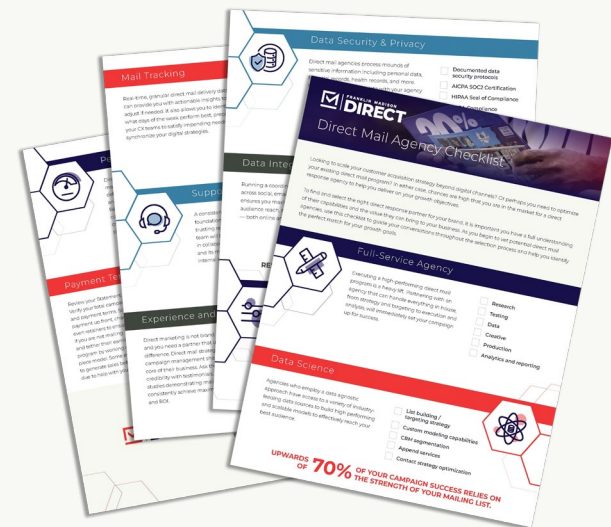
We've built a direct response agency checklist to help you find the right agency for your brand and growth goals. Contact Us today to get your free copy.

Why FM Direct's OmnIDirect?

Best prospect targeting.
Purchase propensity audience models are derived from offline buyer-intent data sources that are anchored to an actual person and physical address.

No wasted impressions.
The process involves deterministic (not probabilistic) matching of offline audiences to individual consumers and their associated devices.
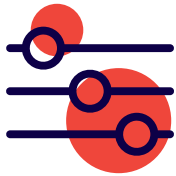
More testing, more learning.
The best-performing audiences, channels, media mix, creative, and other variables are identified using fractional factorial test design.

Impactful messaging.
These programmatic digital campaigns can serve integrated multi-media branded direct response ads across up to five channels.

Measurement you can trust.
Multi-faceted reporting which may include PSA holdout and matchback sales, is used to onboard offline audience lists and validate results.

OmnIDirect is an affordable and dynamic multichannel prospecting strategy for marketers in search of a new approach to online prospecting, or those interested in testing offline data capabilities.

Is two better than one?

Integrating direct mail with digital channels has resulted in an average **ROI increase of 60%** (USPS).

Today's dynamic marketing landscape is brimming with channels and possibilities, which means choosing the optimal direct response strategy for your brand can be daunting — especially when it comes to leveraging direct mail or digital marketing. But it shouldn't be online versus offline. The best approach is to understand the advantages of a 1:1 direct response strategy, identify each channel's strengths, and explore how the channels can complement one another to amplify your direct marketing program's overall performance.

> **BEST PRACTICE**
>
> **Research/Testing** ✓
>
> Embrace a multichannel approach to reach a broader audience and amplify the impact of digital advertising campaigns.

A multichannel or omnichannel approach allows you to share your message across several channels for increased reach and conversion. For example, comprehensive prospect models built with offline data can be onboarded into online environments (i.e. OmnIDirect) to create a synchronized omnichannel experience for your prospects. Then, an integrated online and offline strategy can be implemented throughout the customer journey — from priming the prospect digitally before the mail drop to sending a direct mail piece after a digital interaction to recover an abandoned cart. This coordinated approach will ensure you reach the right prospects at the right time, on the right channel, without wasting ad spend.

And we're not the only ones who see the benefit. Our own industry research has found **91% of marketers believe this powerful duo has a positive impact on overall prospecting campaign performance**.

The OmnIDirect client experience

Here's a closer look at how OmnIDirect has helped brands like yours scale up and strengthen their signal.

OmnIDirect Strategy Drives a Surge in New User Acquisition

THE CHALLENGE

When budget constraints put direct mail on pause, a mobile banking brand was searching for an affordable approach to targeting high-quality prospects.

HOW WE HELPED

FM Direct suggested a digital campaign test to engage an offline audience in a programmatic, open-web environment. Using the OmnIDirect targeting approach, display and web-video assets were served to 625,000 offline lookalike model records. To determine incrementality, a small portion of the audience was exposed to PSA advertising, while the majority of the audience received the branded version. **Compared to the holdout population who only saw the PSA ads, the branded digital ads provided a much higher sales rate and attracted close to 600 new users.**

✓ OmnIDirect generated **562** new users at **$41 CPA**

✓ Branded outperformed holdout by **2.5x** on sales rate

✓ Achieved average incremental **CPA** of **$57**

OmnIDirect Surpasses CPL Goal and Powers New Customer Growth

THE CHALLENGE

A reputable home warranty brand was eager to determine if other marketing channels could acquire customers at a comparable scale and cost-per-lead (CPL) as direct mail.

HOW WE HELPED

Since the client had a strong history of using prospect data models, FM Direct recommended a digital strategy that makes use of offline data. FM Direct's creative team adapted pre-existing client materials to create fresh, compelling ads that would work across all digital platforms. High-affinity prospects were shown programmatic digital advertisements including display, native, audio, web video, and CTV. Using the OmnIDirect methodology, 382k unique prospects were served ads during the launch, averaging 5.2 impressions per individual. Audio, display, and native channels had the highest response rates, and the CPL and CPAs were below client expectations.

> **BEST PRACTICE**
>
> **Digital Strategy**
>
> Integrate direct mail with digital efforts to significantly boost digital channel performance and overall results.

✓ OmnIDirect campaign reduced CPL by **42%**

✓ **2MM+** impressions served to **382K** unique prospects

✓ OmnIDirect campaign lowered **CPAs** by **26%**

Let's get started

We invite you to consider the mounting consumer privacy regulations as an opportunity to enhance your advertising mix with a new approach to your digital marketing and data strategy — finding smarter ways to reach your ideal prospects and maximize your growth.

Whether it's ensuring data accuracy, navigating privacy regulations, or reaching your target audience with a new digital program, FM Direct is committed to delivering an exceptional experience to our clients. Our OmniDirect methodology has a proven track record of success, making it the ideal solution for regaining your signal and protecting your digital campaign performance.

So, what are you waiting for? Contact us today to learn how FM Direct's proven strategies can drive faster growth for your company.

Find Your New Best-Performing Campaigns, Again and Again!

At Franklin Madison Direct, we deliver turnkey direct response strategies using our proprietary targeting, testing, and reporting methods to ensure our clients have everything they need to produce a performing direct mail program. In addition to the case studies analyzed in this e-book, you can learn more about how we have used data-driven direct marketing to propel the growth of hundreds of brands on our website: franklinmadisondirect.com/success-stories.

If you're ready to grow, we're ready to show you what your brand is capable of.

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