Background

Royal Mail plc is a postal service company in the United Kingdom, originally established in 1516.

We are the only company that has the capability to deliver a one-price-goes-anywhere, six days a week service on a range of letters and parcels to more than 29 million addresses across the UK. This is known as the ‘Universal Service’. The network is unrivalled in terms of size, coverage and geographical reach. On 15th October 2013 Royal Mail became a quoted company with shares traded on the London Stock Exchange. Its market capitalisation entry was £3.3bn with more than 99% of its 150,000 UK employees holding shares in the company.

The markets in which we operate are changing quickly. Our core delivery business comprises of UK Parcels, International and Letters (UKPIL). The Letters business, previously the mainstay, is in structural decline in the face of changing consumer behaviour and increased competition from digital advertising channels so pro-actively defending letters by reducing operational costs and growing marketing mail volumes is one of our key strategic priorities.

The challenge

Increase direct mail revenue by encouraging the top 150 UK brand advertisers and top 150 UK marketing agencies to increase their use of direct mail in their integrated communications campaigns when targeting young people.

Generate business leads by driving traffic to Royal Mail’s Mailmen portal, encouraging prospects to download direct mail reports and engage with content.

Direct mail in a digital world

Whilst the positive adoption of all things ‘digital’ has been well documented, marketing issues have emerged, such as how to stand out and cut through the digital clutter or negative feelings as top brands unwittingly advertise on pornographic and extremist web sites or intrusion with disruptive retargeting techniques. Against this background, recent articles have suggested that innovative direct mail campaigns can help generate more engagement and revenue especially when combined with digital marketing communications tools.

Direct Mail is a highly effective advertising media that enables marketing to people on a one-to-one basis with targeted, personalised, creative, timely and relevant communications, capable of monitoring and measurement. When used in combination with other channels, direct mail can significantly improve overall campaign performance. An article in March 2017 by Logixal, referred to direct as ‘The Comeback Kid’ as it proved to ‘be quite the star when it comes to cut-through in clients’ campaigns’.

Royal Mail marketing activities

In 2012, Royal Mail launched their directing marketing services site and dedicated business unit, MarketReach (http://www.royalmailgroup.com/tags/marketreach) to help advertisers incorporate ‘real’ elements into their digitally led campaigns. The aim of MarketReach is to provide advertisers with the knowledge and expertise to add mail easily to their campaigns. A trade marketing campaign featuring the strapline, "We believe in the power of real” launched the new service (Campaign, 2012). MarketReach had an immediate impact in its first year and bucked the trend with a 5% increase in marketing mail revenues. ‘Real’ formed the basis of an award winning
campaign by 1000heads agency with an effective word of mouth campaign based on the ‘revitalising love of the physical over digital’. The campaign was called **Real: The Physical Network** and can be viewed at https://vimeo.com/47524229

In 2015, Royal Mail launched its first major ad campaign to support MarketReach, in a bid to convince advertisers digital isn’t the only option and direct mail is an ideal companion to boost ROI. The Mailmen campaign paid homage to the US drama Mad Men and incorporated positive direct mail support from influential UK marketing agency gurus. (Campaign, 2015)

Royal Mail are seeking to raise awareness of the power of direct mail, to affect a result when targeting a younger demographic of 18–25 year olds.

**Target audience:**
This is a business to business marketing (b2b) campaign. The target audience are the creators of marketing campaigns and their clients:

1. The top 150 UK agencies by advertising spend in 2016.

2. The top 150 brands by advertising spend in 2016 whose products and services are aimed at this age group.

Specifically, these will be account handlers and planners in agencies and marketing managers/heads of marketing in client organisations. Royal Mail wish to make this audience aware of the value of direct mail and demonstrate how to include it to enhance their communications campaigns. Account handlers and media planners will play an influential role in advising key clients on the use and combination of different communications tools. Therefore, it is imperative that Royal Mail can showcase the potential of direct mail applications.

Account handlers are employed by advertising agencies to manage the accounts of a small number of clients. They are the key client contact and their role traditionally involves consulting about campaign requirements, liaising
internally with appropriate media/creative staff, agreeing timescales and monitoring the creative outputs through to final review. However, Jono Marcus, client director at Inkle creative agency argues that the role is much more than a process of simply getting a client to sign off creative work but requires a close, honest client relationship to interrogate the brand back to front and everything that will influence its future performance (The Drum, 2014).

Media planners, sometimes referred to as communications planners or media strategists, usually work in media agencies or integrated agencies. They utilise quantitative and qualitative research data sources to inform the media plan. The plan determines the optimal ‘mix’ of media channels to communicate effectively with the client’s target audience and ultimately achieve the campaign objectives. These strategies come from the brand’s communications strategy and often need to be developed in conjunction with the client’s creative agency. Sometimes planning and buying functions are combined in the media planner’s role.

Royal Mail recognises how direct mail can complement digital and has trialed various digital and direct activities to get a slice of the expanding programmatic media market (DMA, 2015). For example, Royal Mail worked with a large retailer in following consumers’ online purchase behaviour where they had saved items in their basket but had not completed. Typically, online retailers employ abandoned shopping cart remarketing with an e-mail reminder, perhaps even including a further incentive to purchase. In this trial, an abandoned shopping cart triggered a physical letter or brochure to those expressing an interest. The cost of the mailing would be significantly higher than the digital prompt but was expecting superior response rates.

Young people aged 18-25 are critical to numerous large markets, from fashion, travel and technology to alcohol, eating out and entertainment. A 2015 Inkle Millennial Report found that millennials will account for 25% of the UK population (17 million people) by 2019. In the UK in 2015, millennials had an average disposal income of £25,378 and a travel-spend of £20 billion. This digital generation is difficult to engage, expect ‘on demand’ services but want experiences that are real. In line with this, the Royal Mail’s 2016 Life Stages of Mail report identified significant opportunities in targeting younger people, who despite their digital usage, received little direct mail but were very receptive to high quality mail and print communications. They believe it to be memorable, trusted, stand out and like brand imagery that is tangible and can be shared with friends and across other channels like social media. Ultimately the mailings drove recipients to the next stage in the sales funnel in either on or offline channels.

In this campaign, Royal Mail wishes to build on these positive findings and secure greater b2b adoption of direct mail. Key to this is to enthuse the target audiences and drive them to the Mailmen website and encourage visitors to download one of their industry research reports. Royal Mail’s sales team follow up this interest and advise potential clients on the best mail based solutions to enhance their campaigns.

Objective

To convert 6% of the 300 target companies to testing an increase of direct mail in campaigns during the first 12 months of the campaign.

By achieving this you should also aim to:

- Raise awareness amongst marketers of the value of including direct mail in marketing campaigns that target young people.
- Convince advertisers and media planners that direct mail can drive behavioural change amongst the younger audience; i.e. drive web searches etc.
- Inspire marketing and advertising practitioners in both advertisers and their agencies, to always consider direct mail as part of their media planning.
The task

This is a business to business brief and we would like you to create a 12 month integrated b2b marketing communications plan to convert 6% of the target companies and make recommendations for year 2.

You have a marketing budget of £500,000.

Royal Mail would expect a campaign of this nature to pay for itself within c.2 years. A successful roll out using direct mail across an increased number of campaigns will yield an average of £30,000 additional postal revenue for Royal Mail. This will be measured using in house sales reporting and overlaid with WARC figures on advertiser spend and agency earnings.

The emphasis is therefore on the quality rather than the quantity of leads you produce.

We will also be looking for you to demonstrate a clear understanding of our target audiences (advertisers and media planners) and how we can increase their understanding of mail and buy-ins to adopt it within their campaigns. Given that their clients will be marketing to the 18-25 demographic, primary research into this age group’s attitude to direct mail and its relevance to them should inform your campaign.

Mandatories

Royal Mail has no direct control over the pricing of postal services as this is a regulated business. Your recommendations should therefore avoid anything in the pricing area as this will be impossible to implement.

Deliverables

1. An elevator pitch video (maximum 3 minutes) which outlines your main creative idea and approach.
   1.a. An executive summary (maximum 500 words), which captures the essence of your campaign idea and recommended execution.

   The above two deliverables form the basis of the first stage of the competition. We will review all videos and executive summaries and will put the best entries forward to the next stage of judging. This is your chance to shine. It’s not all about how the video looks; the content is the most important bit.

   Your executive summary should highlight the key themes and outputs of your campaign so the reader can gain a quick understanding of your creative idea, execution and forecasted results.

2. An integrated marketing communications plan that harnesses the commercial potential of direct mail (max 22 pages).
   i. A brief marketing audit (5 marks)
   ii. Campaign Marketing objectives (SMART) (5 marks)
   iii. Database development, targeting and segmentation profiling (10 marks)
   iv. A brief testing plan for key campaign elements (5 marks)
   v. A detailed 12-month communications plan with budget (25 marks)
   vi. A creative strategy with examples (15 marks)
   vii. Brief recommendations for year 2 of the campaign (5 marks)
viii. A detailed marketing budget by covering the campaign period to achieve a maximum Return on Investment (ROI). This section should also include KPI’s and relevant tools to explain how you will measure and evaluate the campaign. (10 marks)

Entry guidelines

You will need to submit two pieces of work in order to complete your entry.

i) A 3 minute video/animated presentation with executive summary (max 500 words)

ii) A report which outlines your strategy plan (max 22 pages)

Video/presentation

Your video or animated presentation and executive summary should have great impact and make us want to read your full strategy document. All we need from you is the link to your video (we don’t need an actual copy of the video file). It is up to you where you host it; we just need to be able to view it. Suggested platforms you could use are YouTube, Vimeo or Prezi. The video should be no longer than 3 minutes in length. Please ensure you state your team name within the video.

Please submit your executive summary in pdf format.

Why is this section important? This is what the judges base their first-round judging on. It is a real challenge to give a condensed ‘snapshot’ of your whole campaign, which is why your video/animated presentation should have impact. It should grab your audience (the judges/prospective client: Royal Mail) from the outset, and should invite them to look more deeply into your campaign. When deciding on a shortlist of teams to invite to pitch to the client, the judges should be able to return again and again to your video in order to capture the essence of your campaign.

Report

Your report should be no more than 22 pages in length. You may also add a further 15 pages max. of appendices. It should be presented in PDF format and include details of your team name on all pages.

We will invite a maximum of four teams to pitch.
References

1. Royal Mail unveils direct marketing facility MarketReach, July 9 2012
   http://www.campaignlive.co.uk/article/royal-mail-unveils-direct-marketing-facility-
   marketreach/1140023#jjbzURkqRm7b1ry.99

2. Royal Mail launches 'Mail Men' campaign to boost direct mail
   http://www.campaignlive.co.uk/article/royal-mail-launches-mail-men-campaign-boost-direct-
   mail/1331384#qMrmUU5OpLCwfKby.99

3. Direct Mail: The Comeback Kid
   https://www.logixal.co.uk/single-post/2017/03/10/Direct-Mail-The-Comeback-Kid

4. DMA (2015)
   https://dma.org.uk/article/direct-mail-back-in-the-news-with-new-royal-mail-scheme

Useful Information Sources

www.royalmail.com
www.adassoc.org.uk
www.ipa.co.uk
www.dma.org.uk
www.isba.org.uk
www.thinkbox.tv
www.google.co.uk/adwords
www.womma.org
http://www.mailmen.co.uk/
http://www.mailmen.co.uk/sites/default/files/The%20Life%20Stages%20of%20Mail%20-
%20Summary%20Report.pdf

Royal Guide How to Produce Direct Mail

Experian B2B Direct Mail Guide
https://www.b2bprospector.co.uk/Files/Direct_mail_tips.pdf