

How to Use IP Targeting For Increased Direct Mail Engagement



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CHAPTER 1: **What is IP Targeting?**

IP Targeting is a process using a special algorithm that matches the physical address of a resident, to the IP address associated to the computer network and devices of that location.

To understand how IP Targeting works, you first have to understand an IP address (internet protocol). An IP address is the numerical label assigned to every device connected to a particular computer network. Those networks include hardware networks as well as WiFi networks and even cellular networks. IP addresses are used for network interface identification and location addressing. Most are a series of numbers with periods breaking them up, like 69.89.31.226. Your computer, smartphone, iPad and laptop all have IP addresses when they are connected to specific networks.



Specifically, IP Targeting offers:

- Technology that combines more than 30 public data elements to map an IP address to a specific home address with a high degree of accuracy.
- Ability to simply run on the Internet page where your target customer is surfing
- Capability to also display ads to your target consumer as well as the sites they visit. There are millions of websites available for targeting and 30-50 billion ad impressions are delivered across the internet each day
- Integration with existing active customer address lists
- Automatic blocking of adult and low quality spam sites
- Continuously updating reporting metrics, including exposure, clicks, and conversions
- Post-campaign match-back analysis to determine which addresses were most productive
- Mobile phone targeting by location in high value buildings and addresses
- IP Targeted video advertising



CHAPTER 2: **IP Targeting and Direct Mail - The Dynamic Duo**

Direct mail continues to be a powerful marketing tool for reaching customers with a highly targeted message.

According to the 2017 DMA Response Rate Report:

- The average direct mail household response rate is 5.1% (compared to .6% email, .6% paid search, .2% online display, .4% social media)
- The household ROI for direct mail is 29%
- Over 100.7 million U.S. adults made a catalog purchase in 2016
- 9.8 billion catalogs were mailed in 2016

In other words, direct mail is a valuable marketing tool for all businesses. When IP Targeting is paired with direct mail, the conversions can significantly increase. Using a multi-channel approach, IP Targeting offers marketers the ability to send a printed direct mail piece in conjunction with a similarly-branded digital display ad campaign. The end result is improved campaign response rates. IP Targeting brings the location-specific accuracy of direct mail to digital advertising. Through specially designed algorithms, targeted digital ads are delivered to the home computers and devices of the customers on the direct mail list by matching their physical addresses with their IP address.

There are several components needed to ensure success when combining IP Targeting and Direct Mail:

- Current and accurate mailing list
- Great Creative
- Compelling Call to Action
- Good Landing Page
- Defined Conversion Path

Conversion Pixels/ROI

To track web campaign conversions and be able to determine ROI, a conversion pixel (a piece of code) is placed on a post-purchase “thank you” page. This conversion pixel can then track either click conversions (completion of transaction) or view-through conversions (when users view an ad and neglect to click on it, but within a certain period of time go to the ads’ associated conversion page and complete the transaction).

Match-Back Analysis

To further help determine ROI, a match-back analysis can be conducted by cross referencing a target group of recipients, who were served with IP Targeted ads and direct mail versus a control group of those who just received direct mail. This can be done in 4 steps:

Step 1: Client provides sales data based on campaign ending or buying cycle (last name, address, and zip code).

Step 2: We cross reference targeted data set with converted purchases.

Step 3: A list is provided by name & address of who purchased.

Step 4: A lift in response rate against control group is determined.

CHAPTER 3:

Venue Replay - Using High Value Locations to Capture an Audience

As we have covered, IP Targeting matches IP addresses to physical addresses. Many campaigns can be created based on venues your target audience frequents. Let's say you are selling sporting gear representing your favorite professional sports team. You want to target people that frequent the stadium, but you can't afford the expensive team sponsorships. Delivering ads to those consumers online showing your trendy jerseys is just the ticket.

Venue Replay allows us to create a perimeter around a specific location and capture the device ID's of the phones and tablets that access the internet while in that location for a defined timeframe. We are then able to track those individual devices back to the person's home and deliver ads not only on the mobile device, but also through the home router and desktop computers connected to the home network.

1 Map Location



2 Identify Device ID's in target location.



3 Identify Household IP from Device ID.



You can get similar results using a marketing tool called geo-fencing, but the two work differently and use different methodology. Here are the differences between Venue Replay and Geo-Fencing:

Venue Replay vs Geo-Fencing

Venue Replay

(Geo-Framing)

- Requires person to search the internet and receive an ad placement
- Doesn't require someone to opt-in
- Uses latitude-longitude and able to target down to the square meter level
- Household IP Address can be collected from the inventoried Device ID's so we can use Household IP Targeting. Out of Home, and/or Reverse Append.
- Use in real time or target the Device ID's that were inventoried at past areas up to 7 months ago

Geo-Fencing

- Requires person to search the internet and receive an ad placement
- Requires someone to opt-in
- Uses cell towers to correlate a location
- Able to serve digital ads to devices that went into the specified area
- Use in real time

CHAPTER 4:

Reverse Append - Send Direct Mail to Visitors of Your Website

In chapter 2 we talked about using IP Targeting to deliver online ads based on a physical addresses; that is, delivering digital ads to homes also receiving a direct mail piece. Reverse Append flips that strategy and allows you to send direct mail pieces to people that visit your website by matching IP addresses with physical addresses.

Let's say someone visits your website, places an item in the check-out cart, but doesn't complete the order. Reverse Append allows you to send a direct mail piece to that visitor within 48 hours. How powerful is that? This is a warm lead that you can immediately deliver a physical mail piece to. In a recent case study, a high-end upholstery company used Reverse Append to increase sales during the Holiday season, by targeting visitors who abandoned their shopping cart. 5% of the prospects that were mailed subsequently purchased. This was a 250% lift over similar direct mail offerings.

For Reverse Append to operate at an optimum level, the target website should have a minimum of 30,000 unique visitors per month. A pixel is placed on specific pages of the website based on a set of defined rules. Those rules may include shopping cart abandonment, form fill abandonment or a cumulative number of web pages visited. When a customer activates one or all of these triggers, the anonymous IP address is collected and once the IP address is known the algorithm determines the physical address of the router.

Here's how it works:

When users visit pages on your site based on the specific business rules or “trigger points” you set, a pixel captures the IP address of the user.



IP: 88.192.214.43

URL:

Gonextpage.com/reverseappend/in.aspx

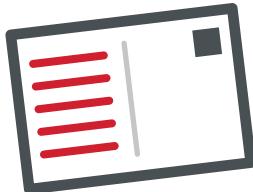
Each night after the IP addresses are collected and matched to physical addresses (that are securely stored), NextPage retrieves the addresses. The consumer is mailed a direct mail piece within 48 hours of visiting the site.



In order to create an effective Reverse Append campaign you will want to be sure and follow a defined process:



1. Test your site over a two week period to ensure traffic is as expected AND appropriate household addresses can be identified. Remember we mentioned that your site should have at least 30,000 visitors a month. The goal of this test period is to ensure you can get enough volume of identifiable visitors to make the campaign worth your marketing spend.



2. Clearly identify your goals and budget.



3. Identify the business rules and define the trigger points for sending a mail piece.

4. Create a direct mail piece with a compelling offer.

5. Request a pixel from NextPage and place it on all website pages.



6. Test the code and process.

7. Launch your campaign.

By offering “More Than Print” including direct mail services, data mining, and digital marketing NextPage is in the unique position to help you implement these best practices, guide you through the process, and find success with your Reverse Append campaign.

CHAPTER 5:

Digital Ad and Landing Page Design for Optimum Conversions

Ad Creative

Your list of IP addresses is ready to go for ad delivery, but that's only the first part of the campaign. Not only do the potential customers need to see the ad, they need to click/convert. Your campaign success is only as good as how many people respond. Here are some tips to make sure your ads are created and placed for the best results:

1. **Use standard banner sizes**-728 x 90px (leaderboard), 300 x 600px (half page), 300 x 250px (medium rectangle), 336 x 280px (large rectangle).
2. **Make sure your logo is visible**-Branding is as important as the message. It should be visible, but not the dominant element.
3. **Call to Action**-Give the viewer a reason to click on the ad, a compelling message that answers a problem or offers an incentive. Make it clear that clicking on the ad delivers them to this offer. Create urgency.
4. **Keep it Simple**-Think of a banner ad like a highway billboard. If it's too wordy or cluttered, no one will want read it. Say just enough to entice them to want to click.
5. **Use Imagery**-Use graphics and pictures, but only to enhance the message or are related to the product. Stock photography is ok, but original artwork or photography is best. Never have two images that will fight each other, limit to one main image.

6. **Be Consistent with Branding**-Make sure the branding of the ad matches the branding of the look and feel of the landing page the viewer is being directed to.
7. **Use Animation**-Animated ads stand out from static ads and generally have better conversion rates, but you have to make sure it doesn't detract from the ad's message.
8. **Match the Direct Mail Offer**-Make sure the branding, message and offer of the banner ad matches the direct mail piece. The visitor needs to make that connection for the multi-channel campaign to be effective.

Landing Pages

Once your banner ads are done with a compelling offer and branding, there needs to be a web page, or landing page created for where to deliver the visitors once they click on the ad. A landing page is specifically designed to deliver on the promise the banner ad created. Here are some landing page best practices:

1. Make sure whatever offer you entice the visitor with in the ad they will find it on the landing page easily and just as you say it will be. If you are offering a free ebook by clicking on the banner ad, then it needs to be the first thing they see in a headline.
2. If your landing page includes a form the visitor must fill out to receive the offer, make sure you don't ask for too much information. That's a sure way to get a bounce. Get only what you need to be able to nurture them as a lead.
3. Don't have multiple links or clickable icons leading them away from the landing page. The sole purpose is to direct them to the offer and convert them, any distraction will reduce conversions.
4. Keep it simple, but make it compelling. Use bullet points or a few sentences explaining the benefits of converting on the offer.
5. Use a singular, main image that applies to the offer.
6. Use video when possible. Video has been shown to improve conversions up to 80%.

CHAPTER 6: More Insights on IP Targeting

IP Targeting vs. Behavioral Targeting

IP Targeting sometimes gets confused with behavioral targeting, which uses “cookies” or data in the form of a message given to a user’s web browser by a web server. These cookies allow the tracking and analysis of a user’s online activity to determine personal characteristics and then deliver ads based on behavior. The two types of targeting are quite different, here are some of the notable differences:

Cookies are losing their audience – Most behavioral targeting relies on 3rd party cookies and cookie matching to track user behavior. The addressable audience of “cookie-able” computers shrinks each month due to an increasing number of browsers that disable cookies by default and increasing usage of Do Not Track options in web browsers by consumers.

Past behavior may not indicate future intent – One of the more common targeting tactics in behavioral targeting is to create segments of individuals based on past browsing behavior and then serve topical ads to those individuals. In order to get segments large enough to hit traffic minimums, most targeting providers will include data that is up to 30-90 days old. This can result in the business spending a large percentage of their advertising dollars on non-viable prospects.



Captive Audience

You can also serve banner ads in real time to people attending a trade show or event to drive traffic to your booth or website for lead generation and product offerings as long as the location is using a public Wi-Fi. Once the event location IP addresses are identified, digital banner ads can be delivered to individuals connected to the Wi-Fi at that location.

Sample targeted areas include:

- Convention Centers and Host Hotels
- College Campuses
- Government Buildings
- Businesses
- Sports Venues
- Any high-traffic areas serviced with Wi-Fi

Digital Canvassing

Digital Canvassing is the result of combining mapping and IP Targeting technologies. Similar to how a service company would hand out flyers to the nearby houses after performing a service, Digital Canvassing looks at the street name and relative distance of intersections to determine which houses to serve ads to. You provide a list of names, addresses and zip codes of your existing clients, and we run it through our IP Algorithm. Our algorithm will identify the IP addresses of homes within the line of site of your clients' households. Ideal industries to use Digital Canvassing include:

- Real Estate
- Home Improvement Providers
- Neighborhood Businesses
- Churches

Retargeting Web Traffic

Retargeting of website visitors is the process of targeting web users who visited your site previously, but did not convert. A piece of code, or pixel, is placed on your website, and every time a visitor comes to your site, the code places an anonymous browser cookie on their computer. When the user visits other sites, the cookie lets us know when to serve them ads. You've probably noticed digital ads being delivered from a website you recently visited. That's retargeting. When used in conjunction with IP targeting, retargeting can increase click-through-rate (CTR), conversions and sales. Basically you are delivering digital ads to visitors of your website that didn't convert, but were delivered there in the first place by a direct mail piece and digital ads, all with the same consistent message.

CHAPTER 7: IP Targeting - Frequently Asked Questions

Where will my ads appear?

Ads can appear on over 1,000,000 websites that include 30-50 billion advertising impressions per day. This is about 90% of the available daily ad inventory on the Internet. Popular sites where ads are placed include FoxNews, MSN, CNN, and Yahoo!

Can I control who sees my ads?

Yes, this is one of the primary principals of the IP Targeting platform. We target your ads to specific households with laser-like accuracy.

How many ads should I display per month?

It depends on your message, product and a number of other variables. Typically, we recommend between 20-40 impressions per month.

Does IP Targeting use cookies?

Not for our IP Targeting, since we know the IP address of specified households we have no need to use cookies for primary targeting. We will occasionally ask clients to incorporate either conversion pixels or remarketing pixels into their campaigns based on the type of campaign that is running.

What sort of reports do I get?

We provide monthly reports that include impressions served, clicks, conversions and click-through rate (CTR). Additionally, at the completion of a campaign we generally provide clients with a match-back analysis which compares your targeting segment(s) with new sales to demonstrate efficacy and ROI for the campaign.

How is this different than PPC?

PPC or Pay Per Click advertising relies on a user searching for a specific keyword. Ads are placed on the top and sides of the search page along with the search results, and the hope is the consumer will click on the ad. You only pay when the prospect clicks on the ad. Unfortunately, this type of advertising has been losing efficacy in recent years as people have learned how to game the system with traffic arbitrage and click farms.

What sort of CTR should I expect?

Ultimately most clients see an increase in CTR with an IP Targeting campaign, but we encourage clients to look beyond click through rate (CTR) and focus on metrics that have more meaning to their business like conversions, sales and return on investment (ROI) for the ad campaign.

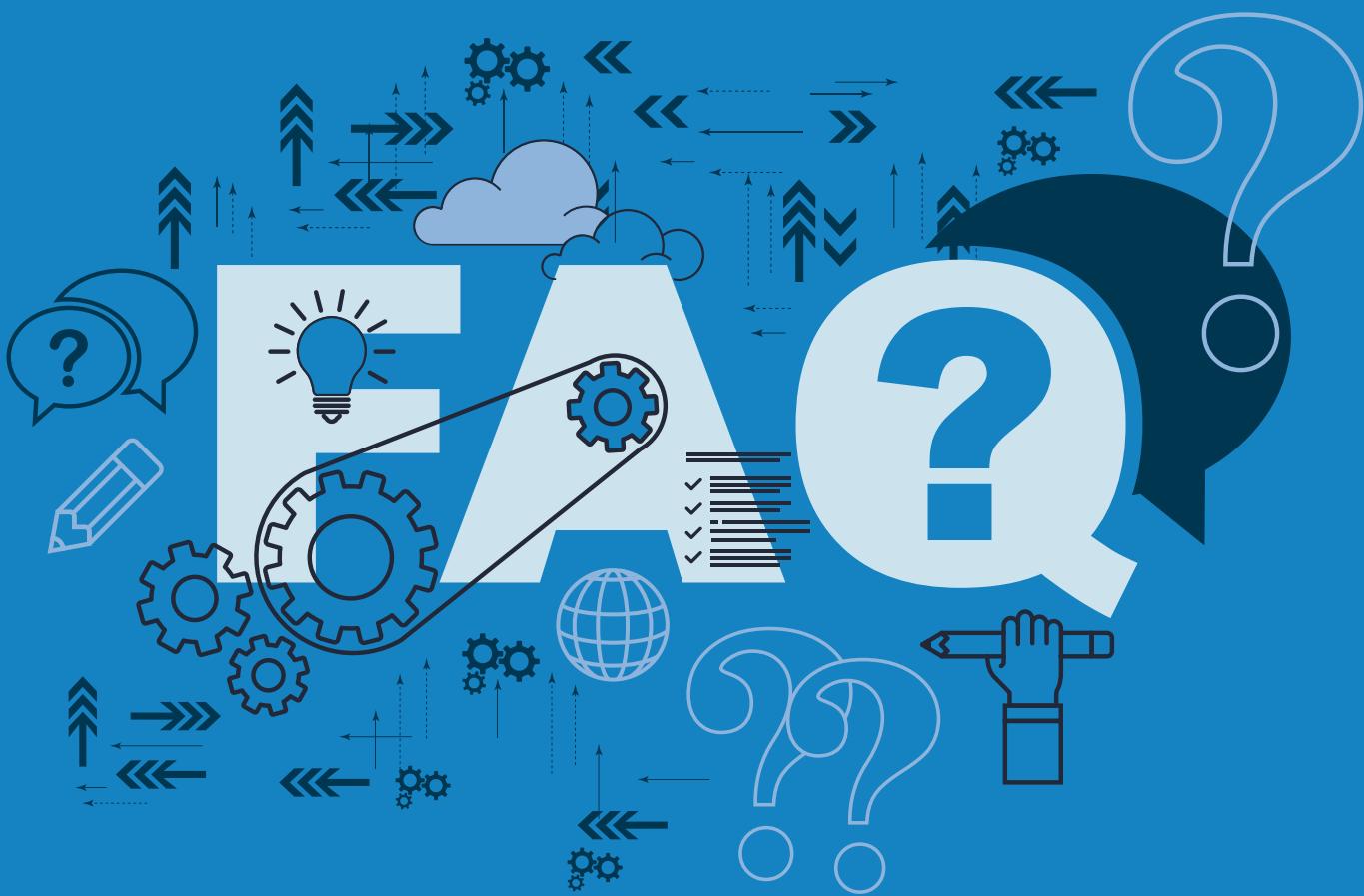
Can NextPage make sure my ads do not appear on specific sites?

Yes, by default we will not serve ads on adult or “vice” sites. Additionally, we eliminate sites with a history of low quality or fraudulent traffic. If you would like us to further restrict the universe of sites upon which we display your ads, we are happy to incorporate this into your campaign.

What size ads do I need?

Creative should be within the following dimensions (below). We recommend that clients generate at least one creative in each size to maximize available ad inventory. While we can run campaigns with fewer sizes it will limit the inventory available to us and may result in the campaign taking longer to serve the ads you purchased.

- 300x250 (pixels)
- 728x90 (pixels)
- 320x50 (pixels)
- 160x600 (pixels)
- 300x50 (pixels)



Should I merge all of my data into one list?

No! Having visibility into data sources is a valuable tool in determining efficacy of campaigns and assisting with planning future campaigns. Put more simply, some lists are better than others. By providing us with more visibility into the sources of your data we can provide better guidance on what data to use on future campaigns.

Can I use IP targeting with my direct mail campaign?

Yes, we have a large number of customers who incorporate IP Targeting in conjunction with direct mail campaigns. We find that the addition of IP Targeting greatly increases the effectiveness of direct mail.

What file formats do you accept for my ads?

We place either banner or display ads. All creative sizes need to be less than 40 KB. JPG, GIF, and PNG files are all supported.

Do I need to provide NextPage with a list of prospects to target?

Typically yes, most of our customers provide us with a list of customers, past customers or prospects to target with our technology. If you do not have a list we can help you obtain one from a list provider or work with you to build a targeting segment based on an analysis of your current customers or prospects.

Can NextPage prepare the ads for me?

If you do not have an agency or design team, we are happy to assist you with the design of your ads.

How can I make my campaign more successful?

Comply with the ad standards discussed in this FAQ, ensure that your ad is compelling, then confirm your list is current and includes only topical targets. Additionally, implement conversion tracking and work with your NextPage representative to conduct a conversion analysis at appropriate points for long-running campaigns.

How should I measure success from my IP targeting campaign?

We encourage our customers to focus less on clicks and more on conversions. Additionally, our most compelling return on investment data comes from post-campaign match-back analysis. Unlike most forms of online marketing, we start a typical campaign with a target list of customers or prospects. By Comparing this list to your list of actual sales is one of the most effective methods to determine the efficacy of an individual campaign.



For more information on how IP Targeting can increase your direct mail engagement, visit gonextpage.com, or call us at **800-660-0108**.

