



*Michaels*

a case study: direct mail partnership

provided by: ddk marketing

## executive summary

Michaels Jewelers has been utilizing direct mail as a marketing resource for almost 30 years. In 2014, Michaels Jewelers began participating in the PANDORA Jewelry direct mail campaigns through ddk marketing. After proven success in advertising their PANDORA lines, Michaels Jewelers expanded their direct mail participation with ddk marketing in 2016 to include additional, Michaels Jewelers-specific mailings. The following case study is an examination of the direct mail partnership between Michaels Jewelers and ddk marketing.

The case study will provide:

- A brief description of Michaels Jewelers
- An overview of the partnership growth between Michaels Jewelers and ddk marketing
- A explanation of how the partnership has been beneficial for Michaels Jewelers
- A listing of all aspects included in the Michaels Jewelers custom direct mail campaigns
- An analysis of the Michaels direct mail campaign ROI calculations
  - 12 campaigns with an average ROI of 776.45%
- A look in to the Michaels marketing strategy

## about

Michaels Jewelers, located in Connecticut, has been family owned and operated for over 130 years. They pride themselves on their philosophy of “honesty and integrity in all matters.” They own 10 Michaels locations and are a proud member of the American Gem society, an organization made up of select jewelers who are held to high ethical standards to protect the customer.

## partnership growth

Michaels Jewelers began participating in the PANDORA Jewelry direct mail campaigns through ddk marketing in 2014. Michaels Jewelers owns 11 PANDORA Jewelry concept stores and carries the PANDORA product lines at the Michaels Jewelers branded locations as well. When first participating, Michaels had the option of enrolling in any of the 6 main PANDORA direct mail campaigns throughout the year – Valentine’s Day, March Bracelet, Mother’s Day, September Bracelet, October Ring and Black Friday – as well as an additional campaign for PANDORA-only locations for a new product launch. Since 2014, the PANDORA Jewelry direct mail campaigns offered have increased to up to 10 campaigns per year. Michaels Jewelers has been a consistent participant in the PANDORA direct mail campaigns, opting to enroll in almost every promotion available.

In 2016, after seeing the response rate benefits from previous ddk marketing direct mail campaigns, Michaels Jewelers expanded their direct mail participation to include Michaels Jewelers-specific direct mail campaigns. From 2016-2018, Michaels Jewelers has done 12 custom direct mail campaigns with ddk marketing. The custom campaigns are a true representation of the partnership between Michaels Jewelers and ddk marketing, with Michaels providing the mailing design and ddk providing customized targeting, printing, shipping, and post-campaign analysis.

## how we helped

Lindsay Michaels, Director of Marketing for Michaels Jewelers, has been the liaison between Michaels Jewelers and ddk marketing since their partnership began. Lindsay works closely with several ddk marketing employees, including – Account Management, Production, and Data Analytics. When asked about the partnership, Lindsay shared that her favorite thing about working with the ddk marketing team is “the customer service. The team is so easy to work with and Tyler (of data analytics) really goes above and beyond with the analytics he provides and is always willing to sit down and go over any questions I may have.”

Analytics is at the core of the successful partnership between Michaels Jewelers and ddk marketing. While Michaels has the design savvy to create engaging direct mail artwork, the ddk team provides a layer of data analytics to the direct mail campaigns that allows them to be a success. Lindsay noted that ddk has helped her “overcome the roadblock of determining our ROI in a smarter way and cleaning up our mailing lists so there isn’t waste.” And added, what makes ddk marketing different from other marketing services they’ve used in the past is “the quality of work provided at a reasonable rate.”

## results

ddk strives to be an analytical partner in Albert’s Diamond Jewelers direct mail marketing. The partnership aspires to help Albert’s acquire new customers as well as track the success of their direct mail marketing campaigns. The success of a direct mail campaign can be measured in terms of amount of sales each mailer generated. While the numbers below are not reflective of national average, being only Albert’s specific, ddk can showcase that through their analytical approach to direct mail, Albert’s has seen an increase in sales generated year-over-year.

The value-add is not only in increased sales, but the reporting done after a campaign has concluded. While ddk cannot take credit for all factors involved in Albert’s increased sales, ddk is able to quickly and accurately analyze the data for each direct mail campaign. This allows for Albert’s to be able continue with the factors of their marketing that are working, as well adjust marketing strategies as needed.

## campaign details

Each direct mail campaign is comprised of 6 parts – artwork submission, list cleansing, printing, shipping, and post-campaign analysis. With Michaels managing phase 1, ddk marketing handles the remaining phases to make sure that there is support all the way through the direct mail campaigns. A description of each phase handled by ddk marketing is listed below:

List cleansing – Customer data lists are provided to ddk marketing from Michaels Jewelers. The ddk marketing data analytics team runs this list through the data suppression process to ensure that all remaining names are available and consenting to be mailed to. Mailings are then addressed to those households that fit the requested mailing criteria specified by Michaels Jewelers.

## campaign details, continued

Printing/Shipping – ddk marketing is responsible for managing the printing and shipping of the direct mail pieces. This includes staying on production timelines, inspecting the print quality prior to shipment, and tracking the mailings until they have reached the intended households.

Post-campaign analysis – After each direct mail campaign, ddk marketing analyzes the sales data provided by Michaels Jewelers. After evaluation, ddk provides Michaels Jewelers with a campaign ROI, a customer data score to track how well customer data is being collected, and a map of which areas performed well that can be used to drive the direction of future mailing campaigns.

## results

The post-campaign analysis in particular has been a pivotal step for Michaels Jewelers. Lindsay Michaels emphasizes the importance of this utilizing this service and remarks that it is “very telling as to who your best customers are and what kind of return you’re getting on certain holidays/promotions.”

Below is a breakdown of the ROI numbers across the 12 Michaels Jewelers custom direct mail campaigns from 2016-2018. To calculate these results, ddk marketing takes the sales data provided by Michaels Jewelers post-campaign and matches the sale against households that were mailed. This is able to track which households made purchases during the promotional period.

It is notable that all campaigns, with the exception of 1, have yielded exceptionally high ROI results. At the time of this event, the 2<sup>nd</sup> overall custom job between Michaels and ddk, the ddk marketing analytics team was still learning about the Michaels customer base and what mailing segmentations yield the best results. It is important to note also that the negative prospect sales for the 2017 Fall Estate mailing were due to 1 customer returning a purchase.

### Michaels Jewelers ROI Results Custom Mailings: 2016 - 2018

	Campaign ROI	Customer Buyers	Customer Sales	Prospect Buyers	Prospect Sales
2018 Michael's Holiday Booklet	1602.82%	3,287	\$1,073,606.77	317	\$94,859.16
2018 Michael's Holiday Postcard	710.78%	241	\$181,550.43	0	\$0.00
2018 Michaels Fall Estate	249.74%	75	\$125,051.76	0	\$0.00
2018 Michaels Reactivation Campaign	705.58%	284	\$148,222.22	0	\$0.00
2018 Michael's Sprint Estate	313.22%	55	\$100,951.05	0	\$0.00
2018 Michaels Wedding Band	2218.68%	103	\$145,810.02	0	\$0.00
2018 Michael's Valentine's Day_Custom	490.91%	535	\$182,723.08	0	\$0.00
2017 Michael's Holiday Booklet	2796.27%	4,012	\$1,697,490.02	0	\$0.00
2017 Michael's Fall Estate	204.20%	56	\$111,012.73	1	(\$86.84)
2017 Michael's Wedding Band	43.11%	35	\$30,211.78	0	\$0.00
2017 Michael's Vday_Custom	-62.68%	46	\$12,523.86	0	\$0.00
2016 Michael's Holiday Booklet	44.81%	188	\$95,607.86	0	\$0.00

Each campaign utilized different formats, graphics, and experimented with the types of finishing on the mail pieces themselves. With the use of the post-campaign analysis, Michaels Jewelers is able to identify which marketing efforts were successful and what types of customers respond to their direct mail marketing campaigns.

## marketing insights

Michaels Jewelers is incredibly innovative in their use of direct mail formats, graphics, and types of events. To learn from their marketing savvy, ddk marketing engaged Lindsay Michaels to discuss the events coinciding with planning their direct mail campaigns.

The insights shared were:

- Budget allocation – Michaels has a set budget for each holiday or event that Lindsay and her team feel is “adequate enough to get the job done.”
- Scheduling – Scheduling and budgets are done on an annual basis.
- Types of direct mail preferred – Michaels typically likes to use a format that is a bit oversized and eye-catching, so it stands out in a pile of mail.
- Why direct mail – Lindsay emphasized that “having that piece of paper with a confirmed delivery to our recipients is important for branding and promotion – having that piece with our logo sit on the coffee table or counter where it may remind them they have an anniversary or gift giving occasion on the horizon – to think of us”
- Plans for direct mail moving forward – Lindsay shared “I think split testing is the next chapter for us. I want to get smarter and more innovative with our design if the costs permit.”

## conclusion

The analytical focus that ddk marketing places on direct mail campaigns was able to prove the success of the Michaels Jewelers direct mail efforts. From 2016-2018 her custom direct campaigns have yielded an average ROI of 776.45% across 12 campaigns. The results show that the more often Michaels Jewelers participates, the data improves as well as her ROI.

Lindsay Michaels shared that the most surprising thing she has discovered in using direct mail is just how effective it really is. She added “With the digital world moving so quickly and an inexpensive option, direct mail may feel archaic. However, with the reporting that we receive with each of our mailers – plus the ability to clean up our lists, the ROI is worth it to us.”