



A collaboration with:



WHO'S MAILING WHAT!

April 2026

# AI in Direct Mail Marketing

by John Miglautsch

"By the 1950s, we had a generation of scientists, mathematicians, and philosophers with the concept of artificial intelligence (or AI) culturally assimilated in their minds."

**Rockwell Anyoha** in the Harvard University Blog in 2017, [The History of Artificial Intelligence](#)

Also in 2017, Gartner Group predicted that 87 percent of AI projects would never generate any ROI. Their estimates have continued to suggest a 50 percent failure in the report, [Gartner Predicts Half of Finance AI Projects Will Be Delayed or Cancelled By 2024](#).

More than 20 years before the Gartner Group report, we successfully pioneered machine learning. Cabela's was interested in more advanced customer selection. In their RFM customer ranking, they mailed those who had purchased most recently (as the best bet to buy again). In our first machine learning attempt, recency was nowhere to be seen.

A Ph.D. statistical marketing expert told me our model had to be wrong.

However, we suddenly realized that, due to the highly seasonal nature of its products, hunters, while recent, were not necessarily fishing customers. Cabela's told us that our model produced \$2.3 million more profit than they projected. Dick Cabela personally thanked me and sent me a free bow (& arrows) from his catalog.

What puzzled me was how WE had achieved decades of ROI success with machine learning while others continued to meet only failure? The answer shocked me...

For almost three years, I pondered this question. I spent considerable time learning how AI/machine learning was implemented (by others), what it was applied to, and why it was not working.

I discovered that neither mass nor digital marketing really knows who their ads are presented to. They also do not know if they are seen or ignored. (Admit it, we all ignore ads as much as possible.) They also rarely connect the 'clicks' with buyers.

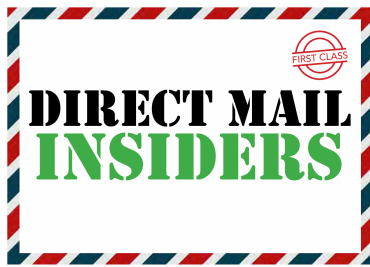
As Andrew Willshire wrote *Attribution is broken*,

## **Inside this report:**

Mailing of the Month: Chrisad Marketing.....	6
Beyond The Mailbox.....	8
Call Notes.....	11
SEND-OFF.....	12

**Continues on page 2**

**"AI in Direct Mail Marketing"**



Your personal subscription to this report is included with your membership in **DIRECT MAIL INSIDERS**.

All material produced by **DIRECT MAIL INSIDERS** is protected by Copyright and Intellectual Property Law.

All such material is provided for the exclusive benefit of its members or subscribers and may not be re-published, in any form, without the advance and written permission of the Publisher.

©2026 Direct Mail Insiders  
All Rights Reserved

DIRECT MAIL INSIDERS  
2255 SE 37TH AVE  
PORTLAND, OR 97214  
U.S.A.

*Website:*

**directmailinsiders.com**

*Email:*

**info@directmailinsiders.com**

*Phone:*

David Baer

914-522-9363

David Foley

313-285-1204

Subscribe to the  
Monthly DMI Report  
\$47/mo

Sign Up for the 'LITE'  
Membership  
\$97/mo

Apply for 'FULL'  
Membership  
\$297/mo

For subscription and membership details, please visit our website.

## "AI in Direct Mail Marketing" Continued from page 1

here is how to fix it: "Most brands should forget about individual-level attribution and focus on the aggregate response. Chasing individuals around the internet produces more data than can be managed, yet not enough to solve the problem."

My research suggested that, for these reasons, the 87 percent failure rate was likely much higher in marketing.

The surprising reason we perfected machine learning while others fail was firmly connected to the medium of direct mail marketing! Why?

In direct mail, we know who we are going to expose our advertising to; we select their individual address based on association, interest, demographics, and/or purchase history. The mailing list has specific characteristics and a count.

We know that our mailings are delivered nearly 100 percent of the time. USPS can even inform mailers with confirmation of each household delivery (Informed Visibility).

We also know that direct mail reaches a household decision-maker. Even with four kids, we never let our children empty the mailbox at the end of our driveway, and we certainly did not let them decide what mail was important. Decision-maker engagement guaranteed!

Finally, we know that direct mail forces a decision. Direct mail does not throw itself away; the decision-maker must choose between trash, purchase, or set aside for later.

You might think this is hardly serious engagement, but mail guarantees the highest non-buyer engagement of any media!

The TV is on, but you go get a beer... you drive by the billboard looking at your speedometer... the ad appears on your monitor but you have learned to ignore sidebars... or the ad appears in your social media feed and you simply thoughtlessly move on.

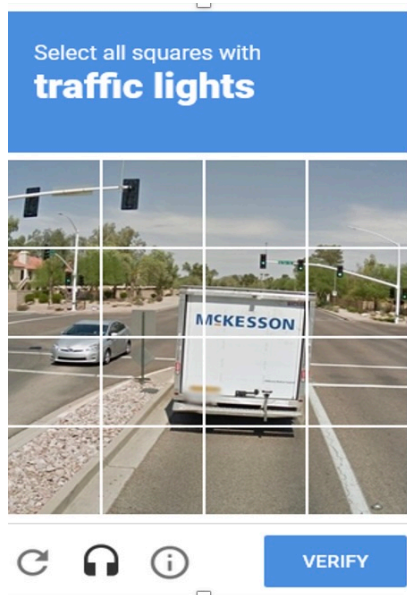
All other advertising literally throws itself away!

What does all this have to do with AI?

When you build a model, you need to train the system. The computer compares data and finds important differences.

**Continues on the right**

You've probably helped build the "where are the traffic lights?" data.



In the picture, a human will see traffic lights in the upper left, even though yet they are facing away and do not have the lights showing.

A machine would not "see" the backwards-facing traffic lights (since there are none).

### **In this case, the human knows better than the machine!**

When IBM wanted to teach Watson to play Jeopardy, they had a labeled dataset of 127,000 previous question/answers to evaluate their algorithms. Watson's performance was compared to the correct and, more importantly, the wrong answers.

IBM had worked for years trying to figure out Dragon Naturally Speaking speech recognition software. Remember reading paragraphs into your computer microphone?

Google got it working much better in just a couple of years. Rather than trying to figure out a person's individual speech patterns, Google collected the corrections, specifically when a person stopped and fixed their text message by hand. This data gave Google insight into what needed to be corrected in its speech-to-text software.

### **Only direct mail has a built-in labeled data set.**

With direct mail, not only are the buyers known, but we also know the non-buyers saw, engaged, and made a decision.

No other media can claim to know the engaged non-buyers. No other media can generate this labeled data set. No other medium can achieve this level of AI.

And now we know why AI plus MAIL could make millions of dollars for clients while universities and computer giants could not.

The knowledge of which households have seen our message plus the engagement level of direct mail has a built-in labeled data set. Not only are the buyers known, but we also know those households who saw, engaged, and decided not to buy.

Direct may be slow, expensive, and even difficult, but it is the most cutting-edge medium for discovering who your real customers are and why they buy. Before you spend millions to 'explore' AI, understand that direct mail holds the key to AI and ROI.



**To explore this subject in more depth, contact John Miglautsch at [john@wdma.org](mailto:john@wdma.org) or 262-369-3900.**

# Can consumers afford what you're selling?

Regardless of the medium you use to sell your products or services, this is a question you should ask before launching your promotion.

The sad reality is that many American households are low-income, living paycheck to paycheck, mired in credit card debt, or a combination of these factors.

Also, a 2025 Federal Reserve Board report found that nearly 40% of U.S. adults would struggle to cover an unexpected \$400 expense, another clear indicator of widespread financial vulnerability.

Essentially, households make two different types of purchases: Recurring and occasional.

Some recurring purchases, like automobile insurance, are switching opportunities.

## **Making it easy to switch**

In an article titled *The Consumer Decision Journey*, published in the McKinsey Quarterly (2009, number 3), included this comment about automobile insurance:

"Take the automotive-insurance industry, in which most companies have a large base of

seemingly loyal customers who renew every year. Our research found as much as a sixfold difference in the ratio of active to passive loyalists among major brands, so companies have opportunities to interrupt the loyalty loop.

The US insurers GEICO and Progressive are doing just that, snaring the passively loyal customers of other companies by making comparison shopping and switching easy. They are giving consumers reasons to leave, not excuses to stay."

(These companies and others continue to employ this strategy to this day.)

## **A Structured Decision Process for Occasional Purchases**

Research suggests a five-step decision process.

Step one is realizing the need. But "need" means different things to different people.

Some people replace their vehicle every few years, despite the fact that their current model performs just fine (and likely will for years to come).

*Continues on the right*

---

## **MEMBERS-ONLY LIVE DIRECT MAIL INSIDERS' CALLS ON ZOOM**

**(All 90-minute calls start at NOON Eastern/11 AM Central/9 AM Pacific)**

ALL Members

**April 14th**

**May 12th**

**June 9th**

FULL Members

**April 28th**

**May 26th**

**June 23rd**

These calls will be recorded and posted on the Private Members' Site for future reference.

Apple introduces a new iPhone every year.



Screenshot of the iPhone 17 commercial

The iPhone 17 is "faster, smarter, and sleeker than ever before (with an) all-new chip for lightning-fast performance, a camera built for breathtaking shots in any light, longer battery life, and a stunning display that brings every detail to life."

Affordability aside, one might ask, *Do I really need a new phone?*

Step two is gathering relevant information about the product or service. This process includes soliciting advice from friends and family, checking online reviews (on your iPhone?), and advertisements.

As much as this might seem to be a rational process, it may not be. One's personal biases influence how these inputs are processed.

Step three is the evaluation of alternatives, including comparing products (or services) based on price, quality, brand, and features.

Welcome to another emotional minefield!

In the mobile phone example, long-term iPhone users will immediately disregard anything related to Android phones. And vice versa.

In either case, the prospect of learning a new system is daunting.

Importantly, the evaluation of alternatives can

and should include a decision to defer the purchase, either temporarily or for the foreseeable future.

Sometimes, the decision to defer a purchase is based on one's belief that the item may be less expensive at a later date.



### Promotions take center stage!

This brings us back to the premise of this article: *Can consumers afford what you're selling?* Promotion has never been more important, especially for occasional purchases.

While there are countless promotional vehicles, one of the most effective is a mail-in consumer rebate because (a) it gives you the consumer's mailing address for future use, and (b) it is very cost efficient since not everyone who is entitled to the rebate will claim it.

Step four is the purchase decision. Critically, this decision encompasses not only the product or service being bought but also where it will be purchased.

The seller's refund policy is a significant aspect here, as a generous refund policy protects the buyer in the event of a "mistake."

The final step is the buyer's post-purchase behavior: *Refunds aside, how satisfied is the buyer with the product's or service's performance?* This directly affects the buyer's ongoing loyalty and willingness to recommend.

# Mailing of the Month:

## Chrisad Dental Marketing

### Corte Madera, CA

#### About Chrisad Dental Marketing



Chrisad began as a 1980s side hustle, while its founder, John Roy Christensen, worked his day job at a San Francisco advertising agency. Originally named Christensen Advertising and later evolving into Chrisad, the business attracted a range of clients, although it enjoyed particular success with dentists.

Today, the company claims to serve around 3,000 dentists with combined billings of \$37 billion. As an agency, Chrisad offers patient acquisition and retention campaigns to its clients.

Chrisad is a large user of direct mail.

#### About these Campaigns

These postcard campaigns recruit new dentists to the Chrisad agency.

#### Comments on these Campaigns

The Who's Mailing What! database includes 23 campaigns from Chrisad, most of which are client acquisition efforts from October 2020 through February 2026. What's particularly interesting is the change of messaging strategy over this time,



On the left, you see Chrisad's mailing from late 2020. (While the campaign is dated 10/20 in WMW!, it was undeniably mailed earlier.)

The postcard combines Chrisad's pricing and problems that dental practices need to overcome.



On the latter, the postcard warns dentists to "Prepare for a Period of MUCH Greater Cancellations & No Shows" which, considering that this campaign was mailed in the midst of the COVID pandemic, seems quite reasonable.

As "proof," the copy states that 42% of patients will cancel their appointments, and that a further 10-15% will do the

same, due to immediate or pending unemployment or the end of their insurance coverage. Neither claim cites specific studies or sources to support their accuracy.

That said, filling the schedule is a significant problem for dental practices. According to a study by Beckers Dental (<https://www.beckersdental.com/benchmarking/2025s-biggest-hurdles-for-dentists>), 26.9% of dentists surveyed believe that "maintaining and increasing patient volume, keeping a full schedule, maintaining revenue or funding to operate" is a significant issue. (A further 16.6% identifies similar issues that produce the same outcome, for a total of 43.5%)

But, compare this approach to its most recent campaign, which is 100% proof.

The campaign names two dentists in Texas and shows the results that the agency produced for their practices.

The graphs are simple and compelling and would cause any dentist reading this postcard to think, *Will Chrisad do the same for me?* Even if the stated results are outliers (and they may be), the thought stands. *How much could my practice grow?*

This campaign was first mailed in October 2025 and declared a control in February 2026, which is a strong indication that it is working.

Three more points:

- (1) This campaign is local. It can be reprised, state by state, with results from dentists in that state. Very credible! So far, this campaign has only mailed in Texas, so this may be the test state.
- (2) Since Chrisad knows who its clients are and the geographic area protected for each, it is able to mail only to true prospects, independent dental practices that fall outside of the protected areas. This is a level of list accuracy that mailers strive to achieve.
- (3) Adding photographs of the featured dental practices would add more credibility to the message.

**Disclosure:** We contacted Chrisad via its website but did not receive a response to our inquiry.

**These mailings' stats from Who's Mailing What!**

Left: WMW!'s "score" for this campaign (0 to 100)

Center: This campaign's most recent mailing date

Right: One star indicates a "control mailing; 3 stars, a "grand control."

Images courtesy of Who's Mailing What!

# Beyond The Mailbox

## *Competing on Price vs. Competing on Meaning*

by David Baer

Millions of Americans regularly drive past a perfectly good, affordable grocery store to spend more money at a different one. They're not getting more food. They're not saving time. In many cases, they're buying the exact same eggs, milk, and bananas. And yet, they wouldn't dream of switching.

Why?

I started thinking about this after a recent trip to New Seasons, a Portland, OR-based grocery chain that has built one of the most loyal customer bases in the country. On nearly every visit, I encounter human moments that simply don't happen at major national chains. It's the type of business that more people need to understand. Why it exists. Why it thrives. Why people talk about a grocery store the way they talk about their favorite restaurant.

And New Seasons isn't the only one. Wegmans, Trader Joe's, and Costco are other retailers that inspire a level of consumer enthusiasm and loyalty that most companies would kill for. They've figured out something that goes beyond product selection and pricing. They've figured out how to make people care.

The grocery industry is a perfect lens for understanding this. On one side, you have grocery leaders like Kroger and Albertsons/Safeway (and the many brands they own), all of which are practical, affordable, and efficient. On the other hand, you have Whole Foods and similar regional and local chains like New Seasons, which are curated, values-

driven, and built around the experience. The divide between them isn't limited to what's on the shelves. There's a good deal to be learned from how shoppers perceive these different brands, and what the rest of the business world can learn from a grocery store that makes you feel like you belong.

### **The Two Categories of Grocery Stores**

For the purposes of this discussion, let's say grocery stores fall into two broad categories: value-driven and experience-driven. Kroger and Albertsons/Safeway represent the first group, focusing on affordability and convenience. Whole Foods and New Seasons belong to the second, emphasizing quality, sustainability, and a curated shopping experience.

#### **Affordable and Practical**

Kroger and Albertsons/Safeway are staples in the U.S. grocery market. Their goal is simple: to provide a wide variety of products at competitive prices. Here's how they position themselves:

Low Prices and Deals: Both chains rely heavily on discounts, promotions, and loyalty programs. Kroger's app, for example, offers personalized coupons based on shopping habits. Albertsons/Safeway's "Just for U" program does the same.

Private Label Brands: Kroger's "Simple Truth" and Albertsons/Safeway's "O Organics" lines cater to health-conscious shoppers who still want to save money.

***Continues on the right***

**Convenience:** These stores aim to be a one-stop shop for all demographics, offering everything from pantry staples to household goods.

But while these stores are practical, they don't offer much in terms of atmosphere or emotional connection. The focus is on efficiency, not experience.

### **Premium and Purposeful**

Whole Foods and New Seasons take a different approach. They cater to shoppers who value quality, sustainability, and a sense of community. Here's what sets them apart:

**Curated Products:** Both stores prioritize organic, non-GMO, and locally sourced items. Whole Foods has strict quality standards, while New Seasons highlights local producers and artisans.

**In-Store Experience:** These stores feel more like boutiques than supermarkets. The lighting is warm, the displays are thoughtful, and the staff is knowledgeable. New Seasons, in particular, emphasizes its connection to the Portland community with local events and partnerships.

**Values-Driven Marketing:** Whole Foods focuses on sustainability and health, while New Seasons highlights its role as a community hub. Both brands use storytelling to connect with their customers on a deeper level.

### **Why Consumers Pay More**

The decision to shop at Whole Foods or New Seasons often goes beyond the products themselves. It's about what these stores represent.

### **Shared Values**

Many shoppers at Whole Foods and New Seasons care deeply about sustainability, ethical sourcing, and supporting local businesses. They

see their purchases as a way to align with their values. For example, a Portland shopper might choose New Seasons because it supports local farmers and reduces its environmental impact.

### **Health and Wellness**

Health-conscious consumers are drawn to the organic and natural products these stores offer. They're willing to pay more because they see food as an investment in their well-being. Whole Foods, in particular, has built its brand around this idea.

### **Community Connection**

New Seasons has a unique advantage here. It's not just a grocery store; it's a part of the Portland community. By hosting events, partnering with local businesses, and featuring local products, it creates a sense of belonging that larger chains can't replicate.

### **How These Brands Market Themselves**

The way these stores communicate with their customers is just as important as what they sell. Let's look at the marketing strategies they use.

### **Broad Appeal**

**Discounts and Loyalty Programs:** Kroger and Albertsons/Safeway use apps and loyalty cards to offer personalized deals. This appeals to budget-conscious shoppers.

**Traditional Advertising:** These brands rely on TV, radio, and direct mail to reach a wide audience. Their messaging focuses on savings and convenience.

**Private Label Promotions:** By promoting their own brands, they can offer exclusive products at lower prices.

### **Targeted and Personal**

**Content Marketing:** Whole Foods uses blogs,

*Continues on page 10*

recipes, and social media to educate consumers about healthy eating and sustainability. New Seasons takes a similar approach, often highlighting local farmers and artisans.

**In-Store Events:** Both brands host cooking classes and wine tastings to foster a sense of community.

**Storytelling:** These stores use storytelling to connect with their audience. For example, New Seasons might feature a local farm in its email newsletter, while Whole Foods might share tips for reducing food waste.

### **The Role of New Seasons in Portland**

New Seasons is a standout in Portland's grocery market. It combines the premium feel of Whole Foods with a strong emphasis on local products and community engagement. This makes it especially appealing to Portland residents, who value sustainability and supporting local businesses.

But what truly sets New Seasons apart is something harder to quantify: it is positioned as "The friendliest store in town."

When I first moved from New York, I thought that it was a bit odd for a grocery cashier to ask me how my day was going or what plans I had for the weekend.

The typical question (if there's any question at all) might be "*Did you find everything you're looking for?*" or a simple "Next," which you might hear at a major chain. It's a small difference, but it transforms a transaction into a conversation. It makes you feel seen.

Here's another New Seasons example: my wife and I once came across a product on the shelf called kefir, which seemed like some kind of yogurt drink. We had no idea what it was, so we asked someone to explain it. He said, "*I can*

*do even better than that. Would you like to taste it?"* He grabbed it from the refrigerator, opened it, and handed it to us. That's not something I would have ever expected in a major national chain. It wasn't a scheduled tasting event or a promotional demo; just an employee who wanted us to have a great experience.

These moments are what separate a store people go to from a store people talk about. Unlike larger chains, New Seasons can tailor its offerings (and its culture) to the specific needs of the Portland community. This hyper-local approach, combined with its focus on quality, sustainability, and genuine human warmth, allows it to compete effectively with both budget-friendly stores like Albertsons/Safeway and premium chains like Whole Foods.

### **What This Means for Shoppers and Businesses**

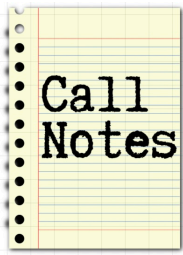
The choice between Kroger, Albertsons/Safeway, Whole Foods, and New Seasons ultimately comes down to what you value most.

If you're focused on saving money, Kroger and Albertsons/Safeway are the obvious choices. But if you care about quality, sustainability, and community, Whole Foods and New Seasons offer something more.

For businesses, the lesson is clear: Know your audience. Understand their values, their needs, and what motivates them.

Whether you're selling groceries or something else, the key to success is creating a brand experience that resonates with your customers.

New Seasons doesn't just sell organic produce—it sells a feeling. The feeling that you matter, that your community matters, and that where you spend your money matters, too.

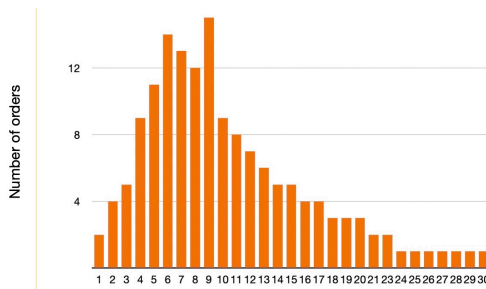
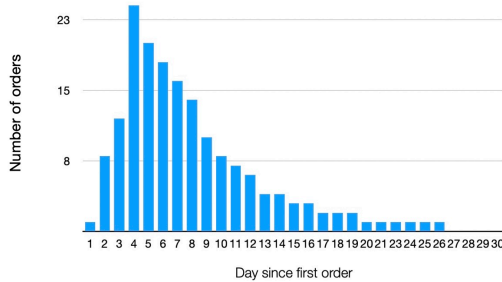


"Doubling Day" was the focus of our March 10th call.

This is the day when 50% of responses to a recently-completed

campaign were received, which indicates the same milestone for future campaigns with the same audience, offer, and format.

In the presentation, **David Foley** began by showing the day-by-day response to two campaigns, one mailed first-class and the other using standard mail. These are shown below:

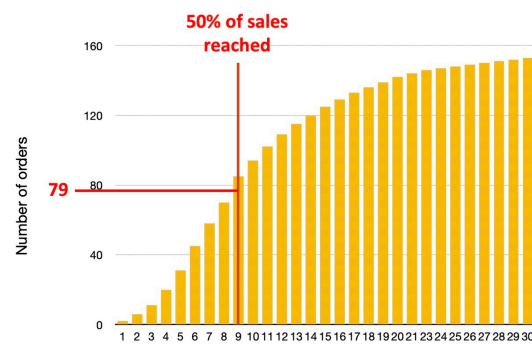
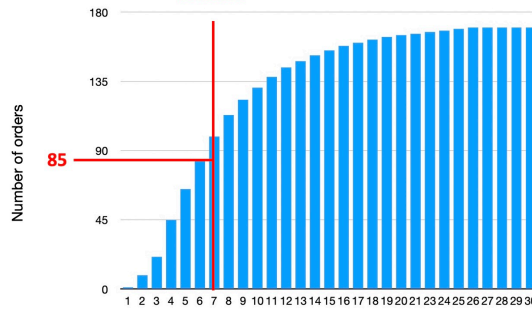


(We discussed the differences in the response profiles and all members can watch this section on the replay.)

However, simply changing the display from daily to cumulative responses, lets you easily identify when a campaign reaches 50% of its total responses.

Then, with one simple adjustment, you can know the doubling day for this campaign and use that information to

predict the results of your next campaign for the same product or service, with the same promotional package.



For these campaigns, 50% of total sales were realized on the 7th and 9th day, respectively.

Then, add the minimum delivery time (per the post office) to each of these numbers, to create the doubling day.

In these examples, doubling day is the 10th day after the first-class mail campaign is delivered to the post office. For the standard mail campaign, it's day 14.

The next time you mail the same offer, the number of responses you have received by doubling day will be 50% of the total responses that your campaign will achieve.

Take that number and double it to know how many responses the campaign will achieve in total.



## WHY "FRIENDLY RIVALRIES" ARE A SECRET GROWTH WEAPON

In business, competition is often seen as a battle to win at all costs. *But what if the key to growth isn't eliminating your rivals but engaging with them in a constructive way?* "Friendly rivalries" can push you to be better, smarter, and more innovative, while building respect and mutual benefit.

Here's why friendly rivalries can work:

### 1. They Push You to Innovate

When you're competing with someone you respect, it forces you to stay on your toes. Watching their successes and learning from their strategies can spark new ideas for your own business. Instead of getting stuck in your comfort zone, a friendly rivalry can encourage you to explore better ways to serve your customers or improve your processes.

### 2. They Open Doors to Collaboration

Rivalries don't have to mean cutthroat competition. Many businesses have found that teaming up with a competitor on certain projects or shared challenges can benefit both parties. For example, co-hosting industry events or pooling resources for large-scale initiatives can create a win-win situation.

### 3. They Keep You Motivated

Nothing stokes ambition like healthy competition. A friendly rivalry can act as a powerful motivator to achieve goals faster, refine your offerings, or simply put in that extra effort. Knowing someone else is working just as hard — or harder — can give you the push

you need to stay at the top of your game.

### 4. They Help You Learn About Yourself

Rivals often highlight areas where you can improve. *Are they faster to market? Better at customer service? More efficient with resources?* Knowing what they're doing well — and where you might be falling short — gives a clearer picture of your strengths and weaknesses.

### 5. They Build Community and Credibility

Friendly rivalries can also create a sense of camaraderie and mutual respect within your industry. This benefits not only the two businesses involved but also customers and other stakeholders, who see your interactions as a sign of professionalism and maturity. It can enhance your reputation and lead to unexpected opportunities.

#### How to Foster a Friendly Rivalry

**Focus on Respect:** A rivalry should be based on mutual respect, not negativity or badmouthing.

**Engage Openly:** Attend industry events or conferences where you can interact in person. Build relationships that extend beyond your competitive dynamic.

**Look for Opportunities to Collaborate:** Find areas where working together makes sense, such as joint ventures or community projects.

**Keep the Competition Healthy:** Avoid underhanded tactics. Compete fairly, and you'll earn respect from your rival and others.

A friendly rivalry can be a tool for growth. When approached with the right mindset, it fosters innovation, collaboration, and motivation, all while strengthening your position in the market. Instead of fearing your rivals, consider how they can make you better. That's not just a strategy; it's smart business.