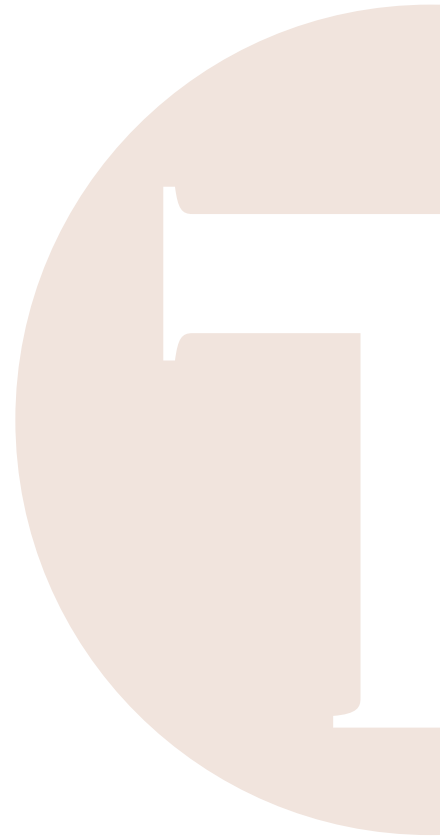


whitepaper

EFFECTIVE DIRECT  
MAIL STRATEGIES

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Over the past couple of years, the advertising and public relations industry has suffered one of its most dramatic turndowns since the Great Depression.

One sector, however, never missed a lick. While other sectors cratered, direct mail spending ticked up a percentage point or two each year, largely for the same reasons direct mail is popular during rising economies:

**It's measurable.** You know how, when and where your customers are responding. If you do your homework, you can track revenue increases straight through to the mailing that generated them. Results are tangible and immediate.

**It's targeted.** Want to reach a middle-aged crazy with a yen for surfing? You can do that! Direct mail can be highly personalized to offer relevant communications to specific audience segments. Variable messaging can be done quite cost-effectively. In fact, new technologies allow for "mass-customized communication"—for example, sending a four-color newsletter that has been personalized to each recipient.

**It's testable.** Even with focus groups and copy testing, you've spent a good deal of your advertising budget before you ever know how an ad campaign is generating results. With direct mail you can drop smaller test mailings, evaluate certain variables, and go with the most productive solution. Big direct mailers are constantly refining their lists, offers, incentives, copy, design and packaging.

When budgets are squeezed overall, there's plenty of pressure to be sure marketing dollars are reaching targeted customers and producing revenue. The tight economy only catalyzes the trend to move more spending below the line. (Big-agency speak for everything that's not mass media advertising.)

What works well in direct mail? Well, there's certainly a science to that, as well as an art, and thick textbooks have been written on the subject. Here are some fundamentals, drawn from both our research and our experience:

*Postcards:* This format can be highly effective and cost-efficient. In our experience, clients and recipients have responded well to postcards. (How many times have YOU had comments from recipients that they liked getting your direct mail?!) Postcards are essentially mini-billboards that arrive through the mail. And they're not just for awareness, either. They are successfully used to drive traffic, sell a specific product, or promote a limited time offer. One of our hospital clients generated more than 800 requests for informational videos by mailing our postcard design to a carefully segmented list.

Remember: Use appealing, brand-centric graphics on the face. You've got two seconds to register an impression. Make the copy short, sweet and compelling. If you want your reader to DO SOMETHING, spell it out in larger, bolder or different colored type. Mail regularly; with this format more than any other, frequency is crucial.

*Self-mailers:* Due to their cost-efficiency, self-mailers are a popular option for mailings that require more information and graphics than a postcard can contain. A self-mailer is a folded printed piece with a mailing panel on one face. The format lends itself to tremendous creative flexibility in concept, copy, design and folding. We have created highly interactive, appealing self-mailers utilizing creative folding or die cuts to add to the impact. Another benefit—no envelope or packaging required.

*Direct Mail Letters:* Jay Conrad Levinson argues in *Guerilla Marketing* that there is no more compelling piece of mail than a personal letter. Indeed. That would explain the vast profusion of letters arriving daily from credit cards, real estate firms, car dealers, banks, air conditioning repairmen, etc., etc., etc. If letters weren't so effective, you wouldn't get so many of them.

Remember: Your list is responsible for roughly 40 - 60% of the response rate. Mail a great offer with a huge incentive to a poorly assembled list and your response will stink. Invest the time and money necessary to mail to a targeted list. Direct marketing efforts can be aimed at building a better relationship with existing customers, reactivating inactive customers and acquiring new customers. By analyzing your current customers and studying their behavior (recency and frequency of purchases, along with monetary value), you can identify a profile of your best customers. This information, in turn, can be used to acquire lists of prospects who fit this profile. Your existing customer database is a gold mine of information.

The **offer** accounts for about 20-30% of the response. **Copy and design** are worth about 10-20% of the response. Focus your attention on getting the list right and creating a compelling offer and incentive. Then come up with some snappy headlines, persuasive copy and eye-catching graphics.

Remember that direct marketing is first and foremost a selling process. The primary purpose is to start or facilitate the selling process, not to brand, position, entertain or enlighten. Direct mail communications should first gain the customer or prospect's attention and capture their interest through an offer and benefits, then create desire with targeted copy and/or visuals and finally encourage a call to action (the desired response). Build the plan around hitting the ROI goal. Only actions- generating a lead or making a sale can directly contribute to ROI.

Every mailing is unique and should be developed based on its objectives, audience and offer, but these tactics have been shown to often lift response:

- Put bold art and persuasive text on the envelope; be clear about the offer and benefit.
- Use an attention-grabbing headline above the salutation to cite your best benefit or offer.
- Emphasize benefits – how consumers' lives will be improved (don't get bogged down listing all the product features).
- Make the communication personal – use customer data to create relevant, targeted copy.
- Feature an offer, with a deadline.
- Visually break up long stretches of copy with bold headlines or call-outs.
- Tell the reader exactly what to do next, whether to call or mail a postcard, etc.
- Close with a compelling P.S. (restate offer and benefit and reinforce the call-to-action).
- Add a lift note, a short, personally signed message from the owner, president or leader.
- Include a brochure on the product or service. Use it to show the product, benefit, company track record, customer service policies, etc.
- Add a return envelope or business reply card so the reader can easily respond. Provide multiple response mechanisms, including fax, web, e-mail, phone, etc.
- Use the reply device to capture relevant customer data for future use.

*Dimensional Direct Mailings:* Some of the highest-pulling direct mail ever created by our firm has been creatively built around an object – from a packet of sunscreen (“Don’t get burned this summer”) to a stress-squeezer globe to a CD presentation to a two-way radio (“Let’s start a two-way conversation”).

These direct mailings are absolutely irresistible. They’re large, intrusive, interactive. (Everybody loves to open a package.) They bring together great creative, on-target messages, a compelling offer and a fun, clever or keepable item.

Oh, and they’re costly on a per-unit basis. The item, packaging, creative, assembly and postage can easily run \$10 or more per unit. We’ve created mailings that ran \$25 and even \$100 per unit. Consider these results:

- A mailing to 70 doctors drew more than 60 of them to an exclusive event announcing a new hospital.
- A mailing of a cybercard mini-CD-ROM to community bankers generated a 13% response rate.
- A mailing of a CD presentation to financial services companies generated 10% response and opened the door to numerous deals for a new e-business suite of applications.

Remember: Whether you invest 10 cents or \$10, it’s only expensive if it doesn’t work. Dimensional mailings are most effective when you have a high-value proposition or a highly difficult-to-reach target audience.

When you must break through the noise and get your target’s attention, there’s no medium that will give you a greater chance of success than direct mail. Creativity is critical. Everything about the packaging, copy and design must support your brand and your offer or message. In addition, remember that few direct mail efforts exist in a vacuum. The efforts mentioned above were elements in broadly integrated marketing campaigns. A creative agency with a great understanding of the uses and applications of direct mail can help you leverage your marketing dollars by creating innovative applications of the medium for your product or service.

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