

October 2003

PRINTtips

Use Direct Mail to Grow Your Business



MacMillan Graphics, Ltd.

Park 50 TechCenter
2002 Ford Circle
Milford, OH 45150

(513) 248-2121

Fax (513) 248-5141

Web site:

www.macgra.com

FTP site:

[ftp.macgra.com](ftp://macgra.com)

Email:

info@macgra.com

Inside

Q&A

Words

Idea Corner

Direct mail marketing – the process of using a printed piece to communicate directly with a selected audience – is experiencing a renaissance. The surprising popularity of the federal Do-Not-Call registry for telemarketing, combined with public ire at Internet-based spam, is causing renewed interest in using the mail to create leads or generate orders.

Direct mail offers several benefits over other marketing techniques:

- **Targeting.** Prospects can be targeted by using a list containing individuals or businesses that meet a specific set of criteria.
- **Measurable results.** The results of a direct mail campaign can be evaluated by computing a cost per lead or cost per sales transaction.
- **Flexibility.** Direct mail literature can be personalized or tailored to the individual receiving it.
- **Affordability.** Even a modest advertising budget can fund a successful direct mail campaign.

The 7 Steps of a Direct Mail Campaign

A good direct mail campaign will work to create new business from your current customers as well as help you find new ones. Also, a good campaign is organized and follows a logical progression of activities – the seven steps of a direct mail campaign.



Step 1: Develop the strategy

The strategy for your direct mail campaign defines what you are going to accomplish (the objectives): the audience, the offer, the timeframe, and the budget.

Use what you know about your current customers to determine who the audience will be for the campaign. It is logical that whatever delights your current customers is likely to attract and hold prospects, so think about these questions:

- Who are your current customers and what do you know about their buying habits?
- Why do they buy from you?
- What are the characteristics of your market?

If your objective is to generate sales leads, be aware that the way you structure your offer will influence the number and types of leads. If you give the recipient of your mailing a motivating incentive to buy (such as a coupon or “buy-one-get-one” offer), you are likely to get a small number of quality leads. These are called hard leads. Conversely, if your offer is structured to provoke a response (such as receiving a premium for responding), you will generate a large number

Use Direct Mail to Grow Your Business (Continued)

of soft leads. Traditionally, hard leads are the most likely to turn into sales.

To develop the timeframe, we suggest you check with us. Especially if the objective of the mailing is to build traffic (to attend an event or participate in a storewide sale, for instance), you probably have an idea of when you would like the mail to be received. We will be glad to work out a production timeline for you showing all the phases of getting the mailing printed and distributed, including the things we will need from you. When you get to this phase of Step 1, call us at (513) 248-2121 for help.

Finally, you will need to develop a budget for the project. We can work with you in either of two ways: we can develop specifications for design, printing and mailing, then develop a quotation for you; or you can give us a budgeted amount to work with, and we will fit the specifications to your budget.

Step 2: Prepare the mail list

The mailing list is the most important part of the direct mail campaign – far more important than either the most creative mail piece or persuasive offer – and the best response comes from mailing to your current customers. So when it is time to contact prospective customers, select a mail list of individuals or businesses with characteristics that match those of your current customers. This might be a definable age or income range, a geographic location, a special interest, or an affiliation.

Step 3: Design the mail piece

In designing the mail piece, keep these simple goals in mind: you want the recipient to open, read, react, and respond. Whether you are mailing a post card, a letter, or a self-mailer, the goal is always the same.

The type of mail piece you select, as well as how it is designed and printed, will necessarily change depending on the objectives of the mailing. It may also change depending on the budget or time schedule for the mailing. We recommend that you call us for a consultation early in the planning process.

Step 4: Produce the mail piece

This is the step that most directly involves us. It begins when the artwork for the mailer has been completed and released into production. Keep in mind that the artwork release date ultimately determines the mail date. Each step of the production process must be completed in sequence, usually on successive days. Though it is possible to rush through more than one step in a day, we prefer, and strongly urge, that you give us enough time to print and finish your mail piece using a regular production schedule.

Step 5: Get the United States Postal Service involved

The moment has come – time to deliver your mailing to the USPS. How long will it take for the mail pieces to reach their intended recipients? Well . . . it depends. Most direct mail marketing pieces are mailed as either first class or standard mail. (Before 1996, standard mail was known as third class.) First class mail has delivery priority over standard mail, so all other things being equal, a first class mail piece will arrive sooner than standard.

You can also speed delivery by worksharing with the USPS. This means presenting the mail with an address and delivery point barcode mechanically printed on the mail piece; presorting the mail; traying or sacking the presorted bundles and labeling the trays and sacks; and printing an indicia on the mail piece so it doesn't have to go through postage cancellation.

Sound too complicated? Then let us take care of it for you. We are experts at mailing services as well as printing, and our worksharing efforts will also gain you a discount on postage. Call (513) 248-2121 for more information.

Step 6: Followup

You can significantly increase the effectiveness of your direct mail campaign with good followup. This could mean prompt fulfillment of orders placed, or prompt response to requests for more information. It could also mean telemarketing

“... you want the recipient to open, read, react, and respond.”

“To achieve the best response rate from a campaign...”

Use Direct Mail to Grow Your Business (Continued)

the intended recipients to be sure they received your mailing and to gauge their interest in purchasing.

Step 7: Repeat

Effective direct mail marketing is not a one-time event; response rates accumulate over time, and awareness is built with consistent mailings. To achieve the best response rate from

a campaign, direct mail marketers recommend mailing three times to the same audience. Therefore, if your budget allows for mailing 1500 pieces, it is better to mail 500 pieces three times than 1500 pieces once.

Use these steps to guide your next direct mail marketing campaign, and we think you'll be pleased with the results.



Increasing your Response Rate

Q. *What determines response rate?*

A. • Response rate – the "make or break" test of a direct mail campaign – is broadly influenced by three factors; the mail list, the offer, and the mail piece. Of these three, the most important is the mail list, accounting for approximately 60% of the response, while the offer and the mail piece account for about 20% each.

However, many other factors can also affect response. The uniqueness of your product or service, its price, whether it is a seasonal product, the image you project, how creatively you engage the audience, and how consistently you mail all play a role in determining response rate.

Another important factor is the size of the mailing itself. A response rate of 1% applied to a mailing of 50,000 yields 500 responses. The same response rate applied to a 1000-piece mailing yields 10 responses.



"The 'make or break' test of a direct mail campaign..."

A Vocabulary of the Graphic Arts

Carrier Route: The actual route walked by a mailperson.

Compiled List: A mailing list prepared (typically from directories or other printed materials) to include all names meeting broad specifications, but not composed of those who have responded to mailings.

Deduping: The removal of data from a mailing list where that information appears more than once.

Indicia: The preprinted postal permit information on the outside of envelope or self-mailer. This includes the company's permit number and city from which the mailing has taken place, and the postage classification.

Seed: False or "dummy" names added to a mailing list as a way to check delivery and to uncover any unauthorized list use.

Self mailer: A direct mail piece which requires no envelope for mailing, provided that the paper stock used is heavy enough to meet post office requirements.

Suppression file: A specific list of people who are not to be sent promotional mail, such as marketer's current customers, bad debt customers, people who have requested not to receive direct mail promotions and the DMA's Mail Preference Service List.

Words

"A direct mail piece which requires no envelope..."

Use Direct Mail to Grow Your Business



Park50 TechneCenter
2002 Ford Circle
Milford, OH 45150

513-248-2121

Fax 513-248-5141

www.macgra.com
info@macgra.com

PRSRT STD
US Postage
PAID
Permit #271
Milford, OH

Please Route to the Printing Buyer

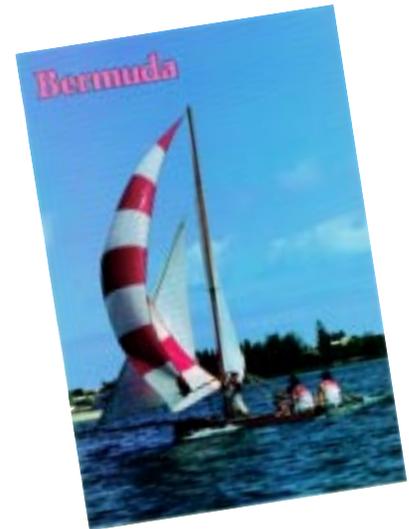
Powerful Postcards



Use a post card mailing to introduce your web site.

One very effective way to use direct mail is a post card mailing introducing your web site to customers and prospects. The USPS offers a first class postage rate for cards, defined as measuring no more than 4.25 x 6 inches, that is actually less than the rate for standard mail (the class of mail that used to be called third class). And the advantage of this class of mail is that it receives all first class services. This includes delivery priority as well as no-cost return for mail that is undeliverable as addressed. So, using a card allows you to get your message to its intended recipient and update your mail list at the same time.

When designing the post card, keep in mind how the letter carrier will present the mail.



Most likely, it will be sorted with the address facing the recipient. Be sure you include enough tantalizing information on this side of the post card to ensure that the recipient will turn it over.