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Practical Tips for... ...Direct Marketing Success

Direct marketing is an outreach to consumers or businesses that is designed to generate a response: an order, a request for further information, or a visit to a business. Direct marketing is effective because it can be targeted at a specific audience; it arouses interest; and its results can be measured. When done properly, direct marketing creates a relationship with an existing or potential customer.

The word *direct* denotes that the marketing outreach is straight to the intended recipient, without the use of third party media such as newspaper, magazine, or television advertising. Although some direct marketing outreach is in the form of door hangers, package inserts, broadcast FAX, telemarketing, or e-mail, the most prevalent means of reaching consumers or businesses is by using the mail.

Using mail for direct marketing

Despite the conventional wisdom of a few years ago, e-mail has not eliminated regular mail as the outreach method of choice for direct marketing. This is due largely to spamming – the indiscriminate use of unsolicited e-mail messages. Because spam is so intensely disliked by the public, e-mail has become less desirable as a commercial advertising vehicle.

Mail, on the other hand, remains an effective way to reach a specific audience. The cost of a direct mail marketing campaign is borne by the company making the outreach, and the level of intrusiveness, when compared to telemarketing or e-mail, is minimal.



Determining response rate

There are three elements that determine the response rate for direct mail marketing: the mail list, the offer, and the mail piece design. Overwhelmingly, the mail list is the significant determinant of response – 60% versus 20% for the offer and 20% for the mail piece design. The best offer, persuasive copy, and compelling mail piece design, mean little if sent to the wrong list: an offer of a free pepperoni pizza will have no effect on a vegetarian. So when planning a direct mail marketing campaign, put most of your effort into compiling a good mail list.

Characteristics of a good mail list

In general, there are two sources of mail lists: a *house list* compiled by the business, and a *compiled* or *managed* list. A house list is something you pull together and in its most basic form is a list of your current, past and inactive customers – those

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“... who might purchase from you, such as referrals, suppliers...”

who have purchased from you in the past. A house list can also contain those who might purchase from you, such as referrals, suppliers, trade show attendees, networking contacts, and leads gathered from other sources.

When compiling a house list, you become responsible for list maintenance, including *list hygiene* and *move updates*. List hygiene includes tasks such as identifying and eliminating duplicates in the mail list; using standard abbreviations and consistency during data entry; and maintaining the integrity of data entered in the fields of each record. Move update includes keeping track of when those on your list move, and taking appropriate action (*i.e.*, entering the new address or removing the name from your list).

A compiled list is any list created from different public sources such as phone books, directories, licensees, or courthouse records. Compiled lists often contain additional demographic information besides name and address, and so can be matched to a profile of your best customers.

“... direct mail marketing piece must appeal to the recipient...”

A managed list is compiled from limited and private sources like magazine subscriptions or membership lists. These often require the approval of the list manager for use in a direct mail campaign.

The Offer

To be effective, the offer in a direct mail marketing piece must appeal to the recipient in a significant enough way to cause him or her to take action. Most recipients will be reading the mail piece while asking the question, “What’s in it for me?” The offer must answer that question in a persuasive way. Typical offers include a discount, free gifts, a guarantee, a sale, a coupon, a gift certificate, a sweepstakes, or a drawing.

The offer should also include an urgent and compelling *call to action*. A call to action tells the recipient exactly what to do to respond – call a phone number, send in a reply card, or go to a web site. A call to action should include a *sense of urgency* – a device that limits response time so the

recipient has an incentive to act immediately. *Free to the first one hundred callers* or *offer expires in ten days* are examples of ways to create urgency.

Mail piece design

The design of the direct mail marketing piece must get the attention of the recipient and visually clarify the message. Here are some tips for designing a mail piece:

- *Select one visual element to dominate the mail piece.* It could be a headline, a photograph, a graphic element, or even a block of type.
- *Limit the use of typefaces to one or two.* If using two, use one for headlines and one for body copy.
- *Use white space to avoid clutter and confusion.* Don’t fill every space of the mail piece with text or graphics. Including too much information in the mail piece may confuse the recipient and cause him to stop reading.
- *Make text easy to read.* Select a typeface that is legible, and use a point size big enough for easy reading. Write so that the message is easily comprehended.
- *Prominently display your logo and contact information.* Don’t make it hard for a motivated recipient to act.

Mail piece options

The options for direct mail marketing pieces are post cards, self-mailers, the traditional direct mail package, and other forms of mailers. The most popular is the self-mailer (used 38% of the time) followed by post cards (26%), traditional direct mail package (25%), and other forms (11%). Common uses for each type of mail piece are:

- *Post cards:* quick and easy to produce and with a low cost break even point, post cards are often used for announcements, date-based events, time-sensitive promotions, and sequential mailings.

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- *Self-mailers*: offering more privacy for the message than a post card and still relatively easy to produce, self-mailers are used for newsletters, product flyers, and information pieces.
- *Envelopes*: information enclosed in an envelope, though the most expensive to produce, offers the most privacy; often used for fund-raising and membership campaigns or other solicitations.

Successful direct mail

A simple formula for measuring the success of a direct mail marketing campaign is this: when the amount of money you received as a result of the campaign, less cost of the mailing plus the cost of fulfillment, is a positive number. When you are planning your next campaign, call us at 513-248-2121 and we'll give you additional tips for success.

"... offering more privacy for the message than a post card"

Save Your Favorite Mail Pieces

An easy way to spark ideas about the design of a direct marketing mail piece is to pay attention to the direct mail that you receive both at home and at your place of business. Save the pieces that you find extremely effective and ineffective, then analyze them to see what made you react. Compare the pieces to determine what made you inclined to open or discard the mail piece.

- Were you drawn to (or put off by) the size, shape, color, and feel of the mail piece?
- Did teaser copy catch your eye or arouse your curiosity?
- Was the mail piece addressed in a way that made you curious to know who sent it?

- Was your eye drawn immediately to the marketer's message or offer? How was this done?
- Were the important points organized and presented in a clear, compelling manner? How was this accomplished?
- Did the mail piece ask for the order or a response in a way that moved you to take action?
- How long did you spend reading the mail piece?

We have saved some of our favorite direct mail pieces. If you would like to examine our collection, call us at 513-248-2121 to arrange a convenient time.



"Save the pieces that you find extremely effective and ineffective..."

Q. *What is a good response to a mailing?*

A. This is probably the most-asked direct mail marketing question, and the answer is: *it depends*. Does your mailing list target the right audience? Is the mail list clean and the data current? Is the offer hard (you're asking for money with the response) or soft (you will bill the

respondent)? Are you asking for an order (direct sale) or inviting an inquiry (lead generation)? Does the mail piece get the attention of the reader and visually clarify the message? In a January 2007 white paper, The Winterberry Group noted that the three key factors influencing consumer buying decisions in response to direct mail are timing, personalization, and relevance. For most mailings, a response rate of 1-2% would be considered good. Keep this in mind when setting the budget for the direct mail marketing campaign. We suggest setting the budget so that a 1% response rate creates a breakeven mailing.



"... three key factors influencing consumer buying..."

Please Route to the Printing Buyer

Practical Tips
For...
...Direct
Marketing
Success



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Elements of a Great Marketing Letter

When using an envelope for your direct mail piece, you can include a marketing letter. A good letter persuades the reader to act and guides the reader to other elements in the package, which may include a brochure and a *response device* (reply card). Use the letter to state your offer and explain what action you want the reader to take. Here are some other techniques you can use to enhance the effectiveness of your direct mail piece:

- *Use teaser copy on the envelope.* Use teaser copy that is of interest to the largest segment of your audience. If in doubt about what to use, try one of these: *Free Offer Inside; New Pricing Enclosed; See What's New; Limited Time Offer; Please Open Immediately.*
- *Use a Johnson Box on the letter.* A Johnson Box is a headline at the top of the letter. It is set apart from the body of the letter and can be surrounded

by a solid line or reversed out of a rectangle. Research has shown that adding a Johnson Box to a letter increases response rate by an average of 40%. The copy in a Johnson Box should be short (one or two lines maximum) and include the main benefit, the offer, or something else to intrigue the reader.

- *P.S. A post script is another feature to make your letter unique.* Studies have shown that people usually read the Johnson Box and the P.S. of a letter even if they don't read anything else. It is also your last chance to reiterate your offer, state the benefit, or restate the call to action.
- *Cross heads, which look like headlines in the middle of the body copy, work as a design element to break up copy and make a text-heavy letter easier to read.*