

NICE LINES DIRECT MAIL, INC.

DIRECT MAIL CRASH COURSE

A Three Goal system for making your direct mail program work better and cost less.

A Direct Mail campaign can be a daunting task to undertake even for the veteran mail marketer. This three goal system will help you identify the basic areas of a mailing program and how to organize your thoughts and goals into an effective campaign.

Crash Course Part 1

└Goal #1: Get it to the Right Person

Three primary ingredients to insure the success of your mailing:

The mailing list

The mailing list

The mailing list

Basically there are two databases to increase sales:

Customer List and the Prospect List

First, let's look at the customer list - The greatest overlooked potential sale.

5 things you can do with your customer mailing list:

1. **Cross-selling** - what are your customers not buying from you that they buy elsewhere?
2. **Upgrade** - are they aware of your range of services or complete product line?
3. **Introduce New products** - does your customer know about this year's model?
4. **Reactivate** - what about the older customer? Have any fallen through the cracks?
5. **Maintain Loyalty** - if you don't invite your customer to do business with you, someone else will.

Case Study : An insurance company measured correlation between mailings and customer loyalty. Without any mailings the insurance company retains 63% of new customers. However, with 4 or more mailings, insurance company retains 84% of their new customers.

Previously, we said there are two databases to increase sales:

1. **Customer list**
2. **Prospect list**

Let's now look at the Prospect list...

4 types of prospect mailing lists:

1. **Resident List** (geographic, universal, generic)
2. **Name List** (demographic, targeted - age, income, children, etc.)
3. **Response List** (known purchase or inquiry)
4. **Business List** (type, # of employees., sales)

You can expect to pay approximately 3-6 cents per name with a minimum of \$225. These lists are almost always rented or "purchased" and available in a variety of formats. For 2.5 times the original price you can typically use these names as often as you want for one year- this is sometimes referred to as a "multi-use" list.

Crash Course Part 2

└Narrowing the List: Refining your list quantity to meet your budget

Too many names? You have different ways you can decrease your count to achieve the quantity you have budgeted. This article presumes your overall objective to reach a certain audience was met with your initial count request. This article only addresses options to modify your quantity and is not intended to determine which are the best prospects for you. When one of the options below is chosen to limit your list, you typically maintain all the other selection criteria. This article is designed to help you arrive at the right quantity after you are satisfied with all other selection criteria. Using two variables can create numerous possibilities, therefore, you would typically pick one of the below after you are satisfied with latest counts provided.

These are the three ways to increase or decrease your counts from the initial request. Space and time will not permit me to cover this in full detail - but you can contact Nice Lines Direct Mail for more information. Let's presume you want to mail 20,000 pieces to several zip codes in one city and your present selection is made up of:

- 7 zip codes and a
- Combined household income of \$35,000 or more with an
- Age range for head of household of 35-45 years.

Here are three options to help you decrease the list count:

1. **GEO selection** - (pronounced gee-oh). Your mailing can be increased or decreased based on the geographical location of your prospects. If there is a correlation between proximity and likeliness of you doing business with your prospects, the geographical selection will clearly play a major role. We can narrow your geographical selection by state, county, first 3 digits of a zip code, 5 digit zip code, carrier routes and radius from a specific site. Often times there are additional charges when selecting by carrier routes or a radius. Contact your representative at Nice Lines Direct Mail for pricing.
2. **Nth Select** - random selection where you want a random selection across a predetermined group. If you are satisfied with the geographic selection and the demographic selection, this is the best choice to arrive at your desired quantity. If your count is 80,000 names and you wanted to mail 20,000 then your Nth select would be every 4th name (N = 4, or every 4th name).
3. **Top drawer** - this selection is to help you reduce your count down to a desired quantity based on one of your existing selections, such as income. Use this selection when there is a correlation between income and probability to respond to your mailing. Top Drawer means everyone in the originally selected group is placed temporarily in order by income, and then the higher income is calculated by the computer based on the desired quantity. Let's say you originally used an income selection of \$35,000 plus and you have 40,000 names but you really only wanted 10,000 names....then choose Top Drawer and a "stop count" of 10,000. Therefore, your 40,000 will be narrowed down to 10,000 beginning with the highest income and working down until the 10,000 names are reached

Crash Course Part 3

└Cleaning Up your database with the help of USPS

One of the biggest advantages of using bulk mail (STD A) is the presorting discounts offered by the Post Office. The bulk rate is 30% to 60% cheaper than the typical first class letter. However, if the recipient has moved, bulk mail does not get forwarded or returned unless you put specific words on your mailing piece. Every year people move, your database becomes less accurate, and your bulk mailing never makes it to the recipient.

One answer for cleaning up your mailing list - Ancillary Service Endorsements (ASE) from the USPS. Another method, NCOA (National Change of Address) can be used in place of, or in conjunction with, ASE. NCOA is a service that corrects the addresses **prior** to your mailing. For more info about NCOA or ASE call Nice Lines Direct Mail 610.279.1100 x3100.

Is Ancillary Service Endorsements right for you?

The answer is yes...IF you are repeatedly using your own database and want 1st class or Std A Bulk discounts. ASE is a great way to keep your database current and get your message to those that have moved and remain in your market area.

If your customer moves within your market area, they could clearly buy from you again. However, without the proper words printed on your mail piece, bulk mail with the wrong name and address ends up in the Postal trash. How many pieces from your current mailings end up in the trash? No one knows. The USPS says approximately 1/3 of all mail is incorrectly addressed. We also know approximately 20% of America moves once a year. When was the last time you updated your entire mailing list?

It is far cheaper to retain the customers you have than to obtain new ones. Nice Lines recommends a mailing program that does both: retain present customers and obtain new ones. This article focuses on one way you can help retain the customers you have by keeping your database current. With the proper wording on your mailing, you can get the new address for customers that may have moved. The Post Office will provide the new address if it is available. If the recipient has moved out of your market, delete the name from your list. If they are still within your market, correct the record within your mailing list. If you plan on mailing once or twice to the names on any given mailing list, then Ancillary Service Endorsements (ASE) is likely not for you.

What about the cost?

The cost will vary according to what you want back from the Post Office.

If you have never used Ancillary Service Endorsements (ASE) before, be prepared for a larger expense the first time. NCOA is the best proactive method to update your database prior to your mailing going out.

Crash Course Part 3

└Cleaning Up your database with the help of USPS *continued*

Some customers avoid additional expenses for updating the database. This is not logical. Updating your database does two things: 1) Reduces expense by omitting names for which the mail was being thrown away. 2) Increasing response by identifying customer's new address and maintaining the prior relationship. Any money spent updating your database could be compared to the amount spent on printing, mailing, and postage that was being thrown away (literally) by mailing to inaccurate addresses. After your first mailing using ASE you will find out how many of your pieces were previously thrown away.

Nice Lines customers who update their list regularly will obviously have more successful mailings, since more of their mail is delivered successfully to the right address. The additional cost to receive the correct address will be offset 1) by additional sales and 2) by your reduced waste, which you had been previously paying for. If you are omitting more names than you are adding, the money saved could be used for prospecting new customers.

Simple to do....no forms, no sign up procedures

Simply choose which service you want from the Post Office and then place a few words on your mail piece as indicated below. There are specific regulations for the Ancillary Service Endorsement. You should call Nice Lines Direct Mail or your Post Office for the proper format for ASE.

Crash Course Part 4

└Goal #2, Get them to Read it!

The best way to ensure your mail gets read is with the AIDDA formula. During the creative stages of your production, follow these guidelines in regard to your copy and design. Start a file for the good samples coming through your own mailbox. The AIDDA formula spans goals #2 and #3. Should you need assistance designing your direct mail piece call the Direct mail experts at 610.279.1100.

AIDDA

A - GET ATTENTION

- Interesting headline- it can be factual, “One out of every 3 homes owns a computer.”
- Questions - “What does nearly every computer owner wish they had?”
- Lead-in - “The fastest computer just got faster, guess who makes it...”
- Benefit - “Jim Johnson never balanced his checkbook until he bought a computer.”
- Humorous - “This computer WON’T talk back! - unless you want it to.”

AIDDA

I - AROUSE INTEREST AND

D - STIMULATE DESIRE THROUGH THE COPY

WHEN WRITING COPY:

- Most important word is “You...”
- Clearly state your offer
- Keep reader in mind (avoid we, me, us, ours)
- What will your product/service DO for the reader?
- Short and medium length sentences
- State benefits from purchase at the beginning

The best writing tip in the world:

Get a separate piece of paper and write down the quantity of “we, us, and ours” in your copy. Then write down the quantity of “you and yours.” Remember the customer is more interested in reading about themselves than about your company. Compare the totals and see WHO you are writing about - you or your reader? If more you and yours then pat yourself on the back. IF there are more we, us, and ours, then rewrite some of your sentences that contain “we, us, or ours” so that it addresses the needs of your customer. Count the totals again and see who you are writing about. Here is a simple example:

Old sentence: (sample statement in letter from company president):

We are so glad we bought a new XR Widgetmaker because now our production has doubled.

New Sentence:

Your order will be ready within 48 hours because your widgets are produced with the state-of-the-art XR Widgetmaker.

AIDDA

D - DESIGN:

Design for your readers (age, style, etc.). See what works in your own mailbox.
8 critical areas of your mail piece

1. Front of the Envelope
2. Back of the Envelope
3. Response Card
4. Above the Salutation
5. First line of First paragraph
6. P.S.
7. Front of Brochure
8. Back of Brochure

AIDDA

A - ASK FOR RESPONSE

Is there an incentive to respond? (Think about a gift or Offer good until, Enjoy this now). Restate the benefit "Buy now and begin saving time today!" Make it EASY to order (800 number, Business Reply Mail, Internet, E-mail, Fax, Etc.)

8 responses you can ask of your reader:

1. Buy!
2. Visit!
3. Call!
4. Write!
5. Order!
6. Send!
7. Fax!
8. Receive!

Crash Course Part 5

└Goal #3, Get the greatest Return

Direct Mail can do 2 things for you:

1. **OBTAIN more customers**
2. **RETAIN more customers**

What can you expect from your mailings?

The overall national average for all direct mail solicitations is approximately 1.5%.

On the high side are the pizza and burger coupons with approximately 5-8% redemption rate.

At the bottom of the average response rate are burial insurance offers at one-fourth of 1%

Measure your response. Use the mailing that got the best return as a control group, then try to improve response on future mailings. If you don't measure your response, you are openly guessing what works. Check with your industry associations for ideas and average responses. Remember, a test is only as good as the sampling representing the whole.

DIRECT MAIL DOES GET NOTICED...

Television network conducted survey: **Direct Mail vs. Newspaper Insert**

4 markets - 2 direct mail, 2 newspaper

1,020 adults telephone interview next day

Results:

58% Read the paper (42% did not) Of the 58% that read, 26% recalled the insert

15% of the total newspaper distribution could recall the insert

52% recalled the Direct Mail piece!

Compare this to the meager 15% that recalled the newspaper insert.

Recall of the ad distributed by mail was more than three times as high as the ad distributed in the newspaper.

Direct Mail gets direct results! . . .

Call us today for a free consultation on your Direct Mail Program

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