

## The Mechanics of Developing A Direct Mail Program

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### 1. WHY DIRECT MAIL?

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Direct mail is a proven and successful marketing tool. More money is spent on directmail than any other type of advertising. Following are four major reasons (benefits) of why direct mail is successful.

1. **DIRECT MAIL IS...TARGETED**

Direct mail is a “rifle shot” in which you can hit the “bull’s-eye. Being able to “pinpoint” your best prospects will result in more customers.

**DIRECT MAIL IS...PERSONALIZED**

Since you are not sharing space with other advertisers, your mail package will have the readers complete attention.

2. **DIRECT MAIL IS...SCIENTIFIC.**

By using a redeemable coupon, reply card, or other response related item, you will always be able to track responses.

3. **DIRECT MAIL IS...MAXIMUM COVERAGE**

Radio, newspaper, magazines, and other advertising vehicles are not able to reach all your audience. For example, most city newspapers are reaching less than 50% of all households. Likewise, with direct mail you can reach every household in your territory.

2. **HOW CAN I USE DIRECT MAIL IN MY BUSINESS?**

- increase store traffic during slow business hours
- lay groundwork for a future sales call
- establish credibility
- gain more name recognition, awareness

- generate qualified leads
- announce special sales
- maintain frequent and personal contact with potential buyers in area
- obtain orders by mail for items not in your inventory
- reemphasize your unique image
- reach your competitors customers
- build goodwill
- fill spots that other advertising is missing
- test customers reactions
- solicit new ideas and suggestions
- maintain “continuing” contact
- reach unique prospects
- disposal of overstocked inventories
- distribute free samples
- announce a new product

### 3. 8 STEPS FOR CREATING A DIRECT MAIL PIECE?

**STEP #1:** Determine your objective. What do you want to accomplish. Sales. Leads. Stored Traffic. (Review page #2).

**STEP #2** Think of a special inducement that will make people respond.

**STEP #3** Decide on mail format. (Look at page #7 for some samples).

**STEP #4** Write the copy (words). To accomplish your objective, what should you say and how should you say it.

**STEP #5** Design. How should the copy and graphics be positioned? Should I include graphics or illustrations? What colors should I use?

**STEP #6** Print your final design.

**STEP #7** Affix mailing labels to your envelopes and sort for postal discounts.

**STEP #8** Transport the mailing pieces to the post office.

**STEP #9** Sit back and wait for the responses. (Most importantly, “record” the responses and measure the results). Was your objective accomplished?

#### 4. WHO CAN HELP ME CREATE A MAIL PIECE?

- There are about five sources you can turn to for help. We usually recommend you first call a printer or lettershop since they are more price competitive on basic direct mail pieces.

1. **Printer**
2. **Lettershop Service Company**
3. **Graphic Designer**
4. **Ad Agency**
5. **Consultant**

\*The above sources can be found in the “yellow pages”.

## 5. **IN YOUR CONVERSTAION WITH THE PRINTER, HERE ARE SOME TOPICS TO DISCUSS**

- A) Ask the printer if you could see some mailing samples. Along with showing the printer's quality standards, the samples will give you ideas on how to design your piece.
- B) Ask the printer if a "copywriting" service is available. (Step #4).
- C) Ask if design/typesetting (Step #5) Is available.
- D) Ask the printer if "lettershop" Services (step 7 & 8) are available.

## 6. **HOW MUCH WILL DIRECT MAIL COST?**

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Each source will quote you a different Price for steps 1-8, outlined on page #7.

As a general guideline, the opposite page Shows a very competitive price quote for A typical direct mail package. If you Can obtain a similar quote (for a similar Mail piece), then you are in good shape.

## 7. **WHAT KIND OF RESPONSE SHOULD I EXPECT?**

There is no such thing as a standard response rate. Some companies need a 50% response rate while millionaires are made with a 1% response rate. Typically, you can determine a response rate that is required to pay for the direct mail.

## 8. **THE "RIGHT" MAILING LIST IS CRITICAL**

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Research shows that the list has more of an affect on your success than the design

of your mail package. A poorly designed package sent to the right list will generate more sales than a beautiful package being sent to the wrong list.

DIRECT MAIL PROGRAM  
PRICE QUOTE FORM

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OBJECTIVE: general leads for sales team

CONCEPT: offer free demonstration  
emphasis new feature and  
savings benefit

MAIL PIECE FORMAT: - Envelope (#10)  
- Letter  
- Fact Sheet  
- (1 page - 1 sided)  
- Reply Card (BRC)  
- 2 color (black/red)

QUANTITY: 5,000

MAIL DATE: January 10

**COST FACTORS TO OBTAIN**

COPYWRITING

DESIGN & TYPESETTING

PRINTING

COMPUTER ADDRESSING YOUR MAIL PIECE

INSERT MATERIAL INTO ENVELOPE

SORT FOR BEST POSTAL DISCOUNT

DELIVER TO POSTAL OFFICE

PRINTER'S QUOTED COST

MAILING LIST(S)

POSTAL COSTS

TOTAL INVESTMENT (refer to pg-9  
1.23 ea. for determining your ROI).

If you go to outside services to do your copywriting, design, layout, typesetting, your cost will be considerably higher making your in the mail cost more around \$1.00 each. True in-the-mail cost is determined by the cost for printing, lettershop services and mailing list costs. Creative, production and design are not included.

After deducting creative, production/design (mechanical or electronic art work), you in-the-mail cost will run between \$.65 to \$.95, depending on graphics (color printing).

The standard direct mail package consist of a letter, fact sheet (brochure) and response vehicle.

## 9. MAILING LIST

### BUSINESSES LISTS

You can create your own customize mailing list by using the following factors:

- type of business
- number of employees
- sales volume
- zip code, county, state
- driving distance from store

### CONSUMERS LISTS

You can create your own customize mailing list by using the following factors:

- age
- estimated income
- years living at home
- gender
- presence of children
- marital status

**FORMATS** (opposite page).

## 10. SHOULD I COMPILE MY OWN LIST?

Yes, if you can do it cheaper. However, we have yet found a firm that could compile a list cheaper. Keep in mind that for \$140 you can receive the following:

- 5,000 qualified prospects in your area

- with full address data
- with phone numbers
- with age, income, and other data
- with employee size, owner's name, etc.

Most importantly, you don't have to incur the cost of keeping the list up-to-date. with zip code changes, business failures, and the constant influx of "new" people, keeping a list up-to-date can cost a fortune.

In sum, you will save time, money, and headaches if you let somebody else do the compilation.

#### 11. WHEN ORDERING MY MAILING LIST, HOW MANY NAMES SHOULD I TEST?

The "rule of thumb" is to test 3,000 to 5,000 names. This quantity will constitute a valid test. Results from smaller quantities can be misleading.

#### 12. WHAT INDUCEMENT (STEP #2) CAN I OFFER TO ENCOURAGE PEOPLE TO RESPOND?

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Following are four groups of inducements that will encourage response.

##### 1. PRICING INDUCEMENTS

- refunds/rebates
- cash discount
- quantity discount
- meet competition's price
- reduced down payment

##### 2. GUARANTEES

- return with no questions
- double money back
- extended warranty guarantee

##### 3. PREMIUMS & GIFTS



- free gift when visiting
- free gift when buying
- free gift when inquiring
- free gift for 1<sup>st</sup> 99 visitors

#### 4. OTHER INDUCEMENTS/OFFERS

- trade-in offer
- philanthropic offer
- special payment schedule
- free 30 day product trial

### 13. WHAT MAIL DESIGN (STEP #4) SHOULD I USE?

Following are the three most common Direct mail designs.

1. Classic Package  
Includes: cover letter  
Brochure  
Reply card
2. Self-Mailer  
Includes: 8.5 x 11, folded  
(no envelope involved)
3. Postcard  
Includes: 2-sided postcard

### 14. 6 IDEAS TO CONSIDER BEFORE YOU START THE PRINTING PRESS

1. Before printing, show your mail piece design to the post office or your lettershop representative. These people can determine if your piece meets the proper postal requirements. Remember, an inch too wide or an ounce too heavy can mean a big increase in your postage .
2. Avoid Dating Your Material. Your mail piece can become obsolete when

dating your material. Likewise, without a date an old design can be used again and again.

3. Before signing the deal, make the designer/printer to agree that the final design proof will be given to you after production.

4. Before starting the printing press, have a few employees or friends double review your mailing piece: check for errors with spelling, grammar, phone number, address, etc.

5. When designing your piece, try to stick with two colors. A three color job is a big increase in price.

6, You will notice that most direct mail pieces come in standard sizes, such as 5 x 8, 6 x 9, 8.5 x 11, and 9 x 12. The reason is that printing equipment, paper and envelope companies, and other processes have been structured to fit these sizes. Thus, try to stick with these sizes. You'll spend more if you don't.

## 15. A FEW TIPS ON DIRECT MAIL STRATEGY

### 1. THINK LONG-TERM

Don't always try to make a profit on the direct mail program. Instead, try to gain NEW "customers:.. The cost of the direct mail program will be paid many times over when you consider the amount of profit a customer will contribute over the long run.

### 2. USE A RESPONSE TRACKING ELEMENT

Include some type of item in your

mail package that will help you track response. For example, when a new visitor brings in the coupon that was in the direct mail package, you will know that the direct mail generated the new customer. Without a tracking element, who gets credit for the new customers: direct mail, “word of mouth”, newspaper ad, etc?

3. COOPERATIVE MAIL PROGRAM

Consider cooperative mailings. You can save much money by including your direct mail piece with another mailer.

4. READ DIRECT MARKETING BOOKS

Call Dirmark 1 888 395-6727  
HOTLINE for a recommended outline.

16. WITH ALL THIS DIRECT MAIL TALK, LET'S NOT FORGET ABOUT THE POWER OF TELEMARKETING

The growth of telemarketing has been overwhelming. Over 15 billion in sales have been made since the 1970's. And because of new technology, greater use of credit cards, and a more willing public (business and consumers) some predict telemarketing will out grow direct mail.

17. HOW CAN I USE TELEMARKETING?

1. further qualify inquires before passing them on to sales people
2. obtain more information on prospects
3. confirm that the direct mail piece was received

4. generate sales from people that are too far away for a personal sales call
5. acquire the name of the primary decision maker, then send a mail piece to this decision maker
6. complement your direct mail with telemarketing (this step will increase response rates exponentially)
7. a less costly substitute for personal sales calls