



Marketing with Direct Mail

Using direct mail as part of an overall marketing plan can produce results, but it can also be a waste of precious resources if not done properly. The keys are:

- Knowing exactly you want the direct mail to accomplish.
- Using effective materials to produce the desired results.
- Having a good list.
- Making sure the mail is processed effectively.
- Following up as appropriate.

Direct mail is usually thought of as a way to send large numbers of the same materials to many people as cheaply as possible. In reality it is just like sending a letter without the time consuming tasks of writing, signing, addressing and putting stamps on hundreds or thousands of letters. Direct mail has become a widely used, and in many cases very specialized, way of generating results.

Your Goals Should Dictate the Form of the Mail Piece

If you consider the direct mail you get, it usually falls into one of three categories. It may try to motivate you to make an immediate purchase – a pre-approved credit card. It may offer you an easy way to get more information – request a brochure or request a contact. Or, it may just be a way for a company to stay in front of you – a newsletter.

Each of these goals usually results in using a different type of written material. Using a written piece to produce an immediate sale is difficult. The offer must almost be over-whelming and the process of buying must be extremely easy. With a pre-approved credit card, it may be a “no-fee, low rate, act immediately” message where all that is needed is a signature or one toll-free call to activate the card.

Direct mail pieces that are designed to generate leads usually indicate how the product/service being sold may solve a problem. An invitation to a financial planning seminar on investing may respond to your desire to handle your finances more intelligently. The postcard from the local furnace repairman offering to clean your furnace may be trying to help you solve a problem you didn't know you had.

Companies that offer relationship-type services often use regular newsletters to build a favorable presence of mind with prospects so the prospect will think of that company when they are ready to make a relationship change decision. Financial institutions do this extensively and often mail newsletters to existing customers to reinforce and defend their relationships.

Have a good list

One of the apparent attractions of direct mail is that it can enable you to reach many new prospects with a purchased list. The problem is that many lists are unreliable or outdated. If you are considering buying a list, investigate it thoroughly. Many list vendors offer lists that have been compiled from public information or other lists. Expect that 10% to 30% of most lists are outdated as people move or die, or their situation changes.

The more you know about the people most likely to be interested in your product/service, the more you will be able to find the right list or screen a larger list down to your most likely prospects. Let's assume you are trying to generate leads for your relatively high-priced product or service. You may want to consider the following list screening variables – zip codes, home values, estimated income, length of residence and age. Most of this type of information is available from quality list providers. The more specific you get, the fewer people will be on the list and the more you will pay for each name.

Expect to pay from 10 to 50 cents for each name you buy. Remember that even the best materials with an irresistible offer will not produce results if the person receiving the mail can't afford what you are offering.

Effective mail processing

Implementing a direct mail campaign doesn't always mean hiring a "direct mail house" to do it for you. Many businesses do it themselves. The question of whether to use an outside service is usually based on volume and the internal resources you can devote to the effort.

If you are considering thousands of multi-part pieces, a direct mail house will probably be able to do it cheaper. They have the mailing equipment and will probably be able to utilize bulk mail postage rates. But, don't let a 15 cent savings in postage (first class compared to bulk rates) be the only factor in making the decision. By the time you consider all the costs – the list, materials, processing and postage – you will probably spend over a dollar per piece on the mailing.

If your targets are limited in number and you have the internal resources, handling a direct mail program internally may be the right choice.

Follow up, Follow up, Follow up

Once you send the mail, the most important work begins.