

5 Steps to Hitting Your Direct Mail Targets

Database marketing combined with direct mail gives you tangible reach and power, not to mention lower costs.

You can then create a direct mail piece tailored to your specific audience and message. Using Microsoft Office Publisher, a business publishing and marketing materials program included in Microsoft Office Small Business Edition (or something similar), you can create direct marketing pieces efficiently and economically using templates provided within the product. You can also download direct mail templates from Office Online (See Additional Resources for more details). Or, if you'd prefer, you can work with an outside design agency to create your direct mail piece. The actual creation or marketing pieces depends on your budget and time.

Manage Your Expectations

Precisely targeting consumers who are likely to be interested in your products or services hardly guarantees buyers. Having a well-targeted list increases your odds of success. But parents who receive that realtor's postcard, for instance, might have no desire to move.

Average response rates for direct mail vary considerably, depending on what you're selling, the package's appeal, how distinctive your offer is, and the quality of your mailing list.

Overall, a good return on mass mailings to new prospects runs .1% to 5%. A 2 to 3 percent response is excellent. Anything near 5 percent is spectacular. When it comes to mailings to loyal customers, however — say, your top 10 percent of big spenders — you should expect returns closer to 30 percent and up. Successful mailings depend on clearly defined targets and goals.

Here are the steps to take that will deliver results.

List of Leads

1. Define Your Objectives

Too many entrepreneurs dive into direct mail without a clear-cut strategy. Before drafting copy or evaluating lists, make sure you understand your goals and know what you want the mailer to achieve.

Direct mail can:

- Generate sales.
- Bring in foot traffic.
- Build recognition or brand awareness.
- Acquire new customers or referrals.
- Upgrade customer service.
- Respond to competitors.
- Support other marketing initiatives, such as newspaper or radio ads.
- Build customer loyalty by rewarding top-tier customers.
- Expand your market to a wider audience.
- Test the appeal of new products or services.
- Deliver company news such as upcoming sales or a branch opening.
- Act as a warm-up for later cold calls.
- Stimulate higher purchases from existing customers.

A recent survey completed by a recent United States Postal Service found that the top three reasons for increased frequency of direct mailers were company growth or expansion, change of strategy, and introduction of a new product. Make sure you're clear about what spells success. Then make sure you don't muddy your chances by setting too many goals at once.

2. Test Your Return on Investment (ROI)

You can't judge a direct mail campaign simply by how many sales you generate. Think about it. Ten purchases from a 1,000-piece mailing may add up to a 1 percent response, but what's your net cost? If you shell out \$10,000 for the mailing, then 10 orders cost you \$1000 each. Did you turn a profit? If not, time for Plan B. Recalculate your costs and package.

Figure out how much you must earn from a direct mail effort, not the number of sales. Test your assumptions with a smaller mailing to a select group of your overall list (sometimes called an **Nth** mailing, because it goes to every **Nth** fraction on the list). That will give you enough feedback to edit or refine the package and budget before committing.

3. Polish the Offer

When drafting the copy, look, feel and offer for your mail package, consider the 3 S's: Simplify – Specify - Showcase

Simplify. Do not use this opportunity to brag about your company or include essays about the firm's history. Inform your customers about the benefits of one item or service. Don't confuse the customer with choices.

Specify. Tell him about the offer upfront (and preferably on the envelope). Then tell him again. Spell out details — clearly.

Showcase. Put yourself in the customer's place. Is this an offer you'd respond to? Make sure it's foolproof. Gift certificates usually work (you can create them in Publisher or download them from Office Online Template Gallery). Or, try free samples, discounts upon walking into the stop or salon or buy-one-get-one-free. For business-to-business marketing, options include offering seminars, white papers, and discounts.

Don't forget your call to action. The more ways you allow a customer to respond, the better your chances of getting a response. That includes fax-back and toll free phones, e-mail, postage-paid cards, credit card payments, long-term payment plans and so on.

4. Reward Response

Whenever a customer responds to a direct mail offer, make sure you fully recognize it. Adding a little extra to, say, a free sample offer will keep your new customer coming back. You might build such bonuses into your campaign budget.

Or, you can reserve some extras for an attractive segment of your market — now easily identified with Outlook's Business Contact Manager program. For instance, if you have key customer or sales lead data filed in another software application, such as ACT! or Microsoft Excel, you can easily import that information into Business Contact Manager to gain a comprehensive, integrated view.

5. One Message Won't Do

Plan your campaign so you reach the same prospects more than once — preferably *more* than twice. It's more effective to send three mailers to 1,000 prospects than one mailer to 3,000 — though the cost is the same. If your list is honed and qualified, then you'll get better results from frequent mailings. Also consider a timed or sequenced campaign. For instance:

Postcard 1 is a teaser. Postcard 2 is a puzzle or half the offer. Postcard 3 delivers the gift. That way, you set up both expectations and recognition.

Finally, perhaps the best part of direct mail is how quickly you discover whether or not it's working. Results are measurable and definite, with information you can act on. You learn exactly what hooks your customer — or doesn't. And direct mail is flexible. You can recalibrate or refine at any time.

And when you do invest in a winner, you can rely on it to keep attracting business — so long as you update that list, of course.

