

This Issue

How to Use Direct Mail For Marketing Success	1-2
.....	
Tips & Tricks	3
.....	
Q & A	3
.....	
Idea Corner	4
.....	
A Vocabulary of the Graphic Arts	4
.....	
Ink History	5
.....	
Promote Your Business on a Budget	6-7
.....	
Multi-channel Promotion	8
.....	

Dear Dan:

How to Use Direct Mail For Marketing Success

If you've been reading our most recent newsletters, you'll notice a theme - that traditional direct mail and e-mail work best together. Both have their place in a marketer's tool kit, neither cancels the need for the other, and the two may even work symbiotically, as when a post card is sent offering a premium if the recipient provides an e-mail address.

Some audiences prefer traditional direct mail

While we acknowledge the growing importance of web-based communication to reach customers and prospects, computers and mobile wireless devices like smartphones cannot by themselves reach everyone in a business's or organization's target market. That could change as the use of mobile wireless devices spreads (which is happening rapidly). But until that time, traditional direct mail still has valuable place as a marketing tool.

Traditional direct mail is a good choice for some audiences (such as an older demographic whose adoption of web-based communications may be lagging younger audiences) and for anyone who clearly states a preference for direct mail.

Traditional direct mail is also a good choice for businesses and organizations whose target audience is local. Sustaining member campaigns, fundraisers and financial support appeals by community-based nonprofits are a good example where outreach by traditional direct mail to the homes of donors is likely to outperform web-based appeal.

SUCCESS=

Dan Keran



Anticipating the addition of, or even the switch to web-based communication, businesses and organizations are collecting e-mail addresses and starting permission-based newsletters and blogs. But until that task is complete, traditional direct mail could be the only way to reach a customer or prospect.

Successful direct mail in 3 easy steps

To conduct a successful direct mail marketing campaign, you'll need a mailing list, a mail piece and something to communicate that is of interest to your target audience. We're making it sound simple because it really is.

Notice that we said a successful direct mail marketing campaign. If you measure success as the response rate, then greater success comes from a series of mailings rather than a one-time drop.

The ideal number of mailings in a campaign is either three or seven, mailed close enough together to build recognition in the mind of the recipient. Studies show that the cumulative response spikes after three mailings, then reaches a point of diminishing return until the seventh mailing, then spikes again. Based on this fact, the response rate will be greater if you mail three times to the same list rather than one time to a larger list. Said another way, if your budget allows for mailing 3,000 pieces, mail three times to 1,000 rather than one time to 3,000.

Step 1: the mail list

The best response rate comes from mailing to those who are already familiar with your business or organization. This can be your customers (active and inactive), prospects who have contacted you for some reason, and referrals from customers or friends.

A list you put together yourself consisting of customers, prospects and referrals is known as a house list. A house list can be compiled from customer purchase transactions, donor records, membership rosters and similar sources. In general, a house list produces a higher response rate than a purchased list because so many of the individuals on the list already know who you are.

If you want to expand your house list by adding a purchased list, a good technique is to submit the house list for data append. This adds demographic information (such as household income, gender of the head of household, home value, presence of children for residences and

annual sales volume, number of employees, and SIC code for businesses). Data append creates a profile of those on your house list; then the profile can be used to select prospects whose profile is a match.

Using this technique, you'll have a targeted mailing list of customers with whom you have an established business relationship and prospects whose demographic characteristics match those of your customers. If the list consists of businesses, you can further refine the list by searching the Internet for the business's web site and gathering additional information to help you personalize a sales message.

As you prepare your mail list, keep this fact in mind: the mail list accounts for 40% of the response rate in any direct mail marketing campaign.

Step 2: the mail piece

Whether you are sending a post card, a self-mailer or several inserts in an envelope, the mail piece needs to be well-designed so it catches the eye and the interest of the recipient. Seven seconds is the amount of time a recipient looks at a direct mail marketing piece before deciding what to do with it – read it now, set aside to read later, or discard.

In today's world of color, we recommend that you send full color mailers, regardless of size. The price of full color printing has dropped dramatically and is now affordable in quantities as low as 200 pieces. Using full color also allows for the use of stock photography, professionally-designed graphics and color used to emphasize a point and guide a reader around the mail piece.

Another possibility is to use a stark black-and-white design, as this will stand out in contrast to full color pieces. If you want to try this technique, please consult with us on the best paper to use for the mailer. Black and white can be dramatic; it can also look cheap depending on the design, printing process and stock used. Call Dan Keran at 763-528-5746 for information or an appointment.

The appearance of the mail piece accounts for 20% of the response rate.

Step 3: the text or copy or offer

For businesses seeking to sell a product or service, a traditional direct mail marketing piece always includes an offer and a call to action.

The offer is worded to motivate the recipient to take action; the call to action tells the recipient what to do and may give a time frame for acting (known as creating a sense of urgency).

Not all direct mail marketing campaigns are launched for the purpose of generating sales leads. Other reasons for sending something through the mail include increasing name recognition or brand awareness, providing information, and making announcements.

Here are some additional elements that all direct mail marketing pieces should include:

The benefits to the recipient. Persuasive text for a direct mail marketing piece tells the recipient what he ultimately wants to know – what's in it for me. Translate product and service features to benefits; overcome problems or fear with a solution; appeal to emotion – just remember to clearly state why the recipient should continue to read the mail piece or take the action you recommend.

Your company name, logo and contact information. Your company name and logo are important for establishing name recognition or brand awareness. However, they normally are not placed in a dominant position on the mail piece. Save that location for a reader benefit statement. Do be sure that the contact information is easy to find and contiguous to the call to action.

Return address. Adding a return address implies that your business or organization is established and is committed to transparency in its communications. A return address, when used with the proper endorsement for mail that is undeliverable as addressed, will enable you to keep your mailing list current.

The offer or the wording on the mail piece accounts for 40% of the response rate.

The final step

We believe that the most important step for success in direct mail marketing is consistency. By using a consistent style in both design and copywriting and mailing regularly, you'll increase awareness in the target audience and leverage the effect of your efforts. If you would like to discuss any aspect of a direct mail campaign, we would be glad to come to your office or to set up a meeting at our location. Contact **Dan Keran** at **763-528-5746** today!

Cover Your Bases

In the debate over whether to use traditional direct mail or e-mail for marketing your company's product or service, beware of using your personal experience or preferences to determine the marketing campaign strategy. To be blunt: your personal preferences are not a representative sample of the target audience, and so are irrelevant.

In the debate between direct mail and e-mail, each individual in your target audience gets the final say—so as to which method is better. You can make some educated guesses based on demographics such as age or whether the individual is a consumer or buying for a business, but ultimately you won't know until you ask. Since that may be impractical or even impossible, the safest course is to use both direct mail and e-mail. In addition, response rates go up when more than one communication method is used.

Avoid the problems of assuming that your personal experience or preferences for being contacted can be generalized to the target audience. Base your marketing strategy on actual research and proven facts.

TIPS & TRICKS



Q

“What is a good response rate for a mailing?”

a

This question might be the most frequently asked about direct mail marketing.

The response rate is determined primarily by three factors: the mail list, the appearance of the mail piece, and the offer. Of the three, the mail list and the offer are the most influential – 80% – while appearance accounts for 20%.

Factors tied to the mailing list include the overall list hygiene (accuracy of the addresses and age of the list), how often the list is used for mailing, and whether the list is appropriate for the offer being made.

In a January 2007 white paper, The Winterberry Group noted that the three key factors influencing consumer buying decisions in response to direct mail marketing are timing, personalization and relevance. For most mailings, a response rate of 1-2% would be considered good.



Idea CORNER



Make the Right First Impression

When designing a post card or a self-mailer, it is important to consider what the recipient will see first. Mail arrives in a bundle, arranged from smallest to largest piece and with all the address panels facing forward. Therefore, what the recipient will see first is the side of the mail piece that contains the mail panel. We mention this because of assumptions about the size and location of the mail panel, and the consequent inclination to think of the side without the mail panel as the most important part of the self-mailer.

There is no requirement that the mail panel take up the entire right hand half of the mail piece. To qualify for a postage discount, the mail panel can be as small as 5 inches wide and 3 inches high (as measured from the lower right hand corner). Provided the individual address lines are of standard length, this is enough room to locate the outbound address and the USPS-required bar code in the proper location within the mail panel. By reducing the size of the mail panel, you will provide additional information for a sales message and an attention-getting graphic.



VOCAB OF THE Graphic ARTS

AIDA: an acronym for Attention, Interest, Desire, Action, the four sequential steps of direct mail marketing copy.

Bulk mail: larger quantities of mail prepared so as to qualify for a postage discount. The opposite of single piece mail.

Compiled list: names gathered from public sources. May contain additional demographic information, but does not represent any past buying activity.

House list: a mailing list compiled by a business or organization from its own sources.

Indicia: the plural of indicium; the imprinted designation on a mail piece indicating method of postage payment and class of mail.

Merge/purge: a data process in which two or more mail lists are merged, then duplicates identified and purged from the list.

Response device: an enclosure in a direct mail piece that allows the recipient to respond to the offer.

Response rate: the percentage of inquiries or other responses resulting from a mailing.

Seed: names added to a mailing list by the list owner to provide a way to check the mail piece and to determine whether there is any unauthorized use of the mail list.

Single-piece mail: mail bearing the full postage rate for its class without any discount for bulk mail preparation.

Standard mail: a class of mail and postage designation. Formerly known as third class mail; often mistakenly called bulk mail.

Suppression file: a list of people to be removed from a specific mailing, though not necessarily from the master mail list.

UAA: an acronym for undeliverable as addressed. Reasons for undeliverability may be due to the addressee having moved or a problem with the elements in the address.

Ink Has a Long History of Conveying Information

From parchment to paper, ink has been a tool of communication for thousands of years. As print designers and producers, ink on paper is our medium, yet we often take it for granted.

1 How does offset lithographic ink process work?

Before German inventor Aloys Senefelder discovered that water repels petroleum inks and oil attracts it, all printing was done by placing ink on raised letters and squishing paper onto it. This is very similar to the cuneiform writing of ancient Babylonians, who wrote by pressing forms or characters into pliable tablets. Sometimes these forms were inked first before being pressed into clay or other surfaces. At the end of the 18th century, Senefelder discovered that wet limestone surfaces repel petroleum ink, but text or pictures drawn with a grease pencil on limestone attracts ink and repels water. His discovery was made by accident. He was working with an etching stone when his mother asked him to help write a laundry list. Having no paper handy, he hastily wrote the list with a grease pencil on the Bavarian limestone plate. When he went to wash the grease from the stone it triggered new ideas that led to more experiments. Eventually this led to the discovery that an inked roller would deposit ink only on the greasy chalk and not on wet limestone. This is the principal behind lithography. Instead of limestone we use metal plates, which only attract ink to the part of the surface that has been exposed by a laser or graphic camera. This ink is then transferred to a rubber blanket, which in turn transfers it to paper. The offset plate we use as a master never directly touches the paper, which is why the process is called offset lithography.

2 What are soy inks and are they any different from regular inks?

Soy ink is similar to conventional offset printing ink, except that instead of petroleum oil, its base is made of soybean oil. With soybean oil, there are less volatile organic compounds (VOCs) as compared to petroleum inks. Soy inks are also more environmentally friendly because they are easier to recycle. Soy inks can be removed more effectively by the de-inking process and the resulting waste is not considered hazardous, making it easier and less expensive to treat than paper printed with petroleum ink. Soy inks cost roughly the same as petroleum inks, and their quality is comparable.

3 What is scuff-resistant ink?

Does it make a difference? As you might imagine, packaging gets knocked around quite a bit in its journey from the manufacturing plant to the enduser. Special scuff-resistant inks are used in the packaging industry to resist the hazards of transportation. Scuff-resistant inks are tougher than normal inks. They adhere better and stay good-looking longer, and are also usually more expensive.

4 What special concerns should I have when printing with fluorescent or metallic inks?

Metallic powders are mixed with a varnish base to create metallic inks. Because the metallic powders tarnish quickly, metallic inks are usually mixed just prior to use. They tend to look best on coated paper, and last longer when a varnish is applied to protect them. Fluorescent inks reflect ultraviolet light as well as visible light, making them appear very bright. They must be printed on a white surface to produce their bright effect.

5 Where do color matching systems fit into the big picture?

The Pantone Matching System (learn more at www.pantone.com) was originally a way to specify spot color inks. The idea behind the PMS swatch book is that you look at it, choose the color you want, and tell us that is the color to print. We then use the same kind of PMS swatch book to look up and mix the color. If you look at a PMS swatch book, you will notice below each color swatch the exact mixing specifications for that color. Within printing, lighting, and human eye tolerances, the PMS color you specified from your swatch book should look the same as the one we print for you. In order to maintain the quality of the swatch-book system, it is important to replace your swatch books every few years (they fade and change with time and use). When it comes to choosing spot inks, Pantone is the standard. Pantone has also designed a process color matching system and a set of process equivalents of its spot colors. The process equivalents are often used when one has to simulate spot colors using process colors, but many of them do not give an accurate match. Be careful when specifying a process color match; it may not match the original spot color that closely. Pantone's process color matching system has recently been improved to order colors by the amount of black in each process color build. This is somewhat similar to the Trumatch process color matching system (www.trumatch.com), which divides the spectrum into 50 hue families with 40 tints and shades of each hue, plus four-color grays. Some designers find the Trumatch system to be a better way to work with process colors. Either one is fine with us. Check out both swatch books and decide for yourself which of these process color specifiers is best for you.

Promoting Your Business on a Budget

The lifeblood of any business or organization is keeping current customers interested in your product or service while finding prospects to become new customers. This necessarily means that your business or organization must devote time and resources to promotion – using various methods to reach a target audience with a specific message.

Effective promotion is not limited to large businesses with substantial budgets. Smaller businesses and organizations can be successful by understanding how promotion works and adapting strategies and techniques to fit the available resources.

Promotion objectives

There are many possible objectives for a promotion strategy. Each is intended to produce a specific outcome and can be used singly or in combination. Here are the most common objectives:

Build awareness. Although your current customers know you well, your prospects – the businesses or individuals you have identified that you want to have as customers – may not know you at all. Promotion helps introduce your business to your prospects, and is often the first step in gaining a new customer.

Create interest and build trust. People buy things they need or have an interest in from those whom they trust. And long-term, loyal customers are the result of many positive interactions and transactions that become a trusting relationship. Promotion begins the process of building a relationship.

Provide information. If you are launching a new product or service, whether to existing or new customers, the object of a promotion may be to explain it and its benefits. If your product is well established, an information-based promotion establishes you as an expert and creates interest among prospects who don't yet know your company.

Sell something. Some promotions are intended to drive demand and increase sales by getting customers and prospects to try the product. Free samples, free demonstrations and free trial periods are the type of promotions that stimulate demand.

Establish loyalty. A repeat customer is one who has product or brand loyalty. Promotions based on establishing loyalty are useful after a customer has made one purchase, to start the process of building a strong relationship.

Target audience

Effective promotion begins with determining what audience you are trying to reach, since both the message and the promotional method may change depending on whether you are targeting current customers, past customers or prospects. Most small and medium-sized businesses are equipped and staffed to offer a specific and well defined complement of products or services. A successful promotion matches these products and services to the audience most likely to be interested in them.

Purchase motivators – the things that cause someone within the target audience to become a buyer – are different for individuals and businesses. In general, individuals purchase products or services to satisfy a basic need, to solve a problem or to feel good, while businesses purchase to increase revenue, maintain the status quo or decrease expenses.

If your target market is individuals, learn to describe them with measurable characteristics such as age, gender, level of education, income, marital status, ethnicity, and family status. The corresponding characteristics for businesses are number of employees, annual sales volume, location and years in business.

Selecting the promotion method

For a promotion method to succeed, it must first reach the target audience. This sounds simplistic, but is often overlooked by businesses that haven't adequately profiled the target audience. It is important to change your

perspective from a business owner or sales manager to a target audience – simply put, to sit in their chair or walk in their shoes.

Begin by asking yourself how your target audience accesses information. Are your customers and prospects more likely to seek information using traditional media like reading newspapers and magazines, watching television, reading newsletters or responding to a direct mail campaign? Or do they seek information by reading e-mail, searching the Internet or reading blogs? You'll need to set aside your personal biases – though you may be intrigued by social media such as Twitter and Facebook, if your target audience isn't, then a promotion using these methods will not be effective.

Keep in mind that no single promotional method works all the time for every target audience, so rotate several methods and vary your approach. In addition, use promotions regularly. Over time, consistency and frequency will influence the buying decision more than the specific type of promotion.



Promoting on a budget

No matter the size of your business or organization, it needs to have a budget for promotions. Pick a time period – we recommend quarterly, semi-annually or yearly – and commit both a sum of money and some time for a designated person to manage the promotional effort. It takes both a budget and someone to manage the budget to ensure a successful promotion.

Promotions don't have to cost a lot of money or take a lot of time. A simple way to start is by targeting your best customers and introducing them to products or services you offer that they may not be using. Here are seven ideas for promoting on a budget.

1. Send a monthly informational newsletter. That's what we do with the Visions Idea File. Sending the Visions Idea File gives us a chance to demonstrate our expertise, introduce you to new technologies like QR codes, and remind you of the full scope of services we offer.
2. Highlight the specific products and services that represent what you do best. Develop a series of post cards, flyers or mini-brochures that showcase the things that provide the majority of your sales. These are the things that, because of equipment or skills or experience, you can offer a true competitive advantage to buyers. The series can be distributed individually or as part of another communication.

3. Follow up a purchase with an additional offer. A customer who has just made a purchase is an excellent candidate to make another one right away. This is especially true if the customer receives an offer with additional value attached – a discount coupon or a buy one, get one promotion. To create urgency, include an expiration date for the offer.

4. Target past customers. Revive an old relationship by contacting past customers. There may be a negative reason (such as a bad customer service experience) that explains why a customer became inactive, but don't worry about it. Something may have changed within the past customer's company that again makes them a good candidate for your promotion.

5. Put a sticker with teaser copy on an outbound envelope. Teaser copy – a few words that create interest – is often printed near the address on the outside of an envelope or a self-mailer. Teaser copy is just what its name implies: something that teases the reader to open an envelope or keep reading. If the teaser copy is printed on a sticker and affixed to the envelope, it becomes dimensional and attracts even more attention.

6. Offer a guarantee. Changing suppliers presents some prospects with a risk factor they may be reluctant to deal with. This is true even if the current supplier is not performing well. Alleviate the anxiety and eliminate the risk by offering a guarantee to your prospect.

7. Self-promote. Get the word out about your company's accomplishments. When you win an award, land an important new customer, expand your capability or capacity by adding equipment or staff, let everyone know. People like to do business with successful people. Use a press release directed to the business editor of your local newspaper to announce something you are proud of. Add a line to your e-mail signature and announce your accomplishment on your web site.

Promotion builds business

Regardless of the size of your budget, it is important to continuously promote your business. For over 25 years we've been helping businesses, organizations and individuals with promotions to customers and prospects. To brainstorm promotional ideas to help your business or to get started with your promotion, contact **Dan Keran** at **763-528-5746**. We're ready to help.



This Issue

How to Use Direct Mail For Marketing Success	1-2
.....	
Tips & Tricks	3
.....	
Q & A	3
.....	
Idea Corner	4
.....	
A Vocabulary of the Graphic Arts	4
.....	
Ink History	5
.....	
Promote Your Business on a Budget	6-7
.....	
Multi-channel Promotion	8
.....	

Are You Using a Multi-channel Promotion Strategy?

Multi-channel can be very effective, especially when the messages in one channel are referenced in the other and are integrated. Use one constant and simple theme that offers a variety of response options.

Here are some examples of multi-channel marketing:

- Sending an e-mail timed to arrive at the same time as a mailed catalog.
- Inviting customers and prospects to visit a web site to print a coupon to use in a retail store.
- Adding a Personalized URL (PURL) or QR code to sales collateral with an invitation to visit the web site, register, and receive something in exchange.

To learn more about multi-channel marketing strategies, please contact me at **763-528-5746** or **Dan.Keran@visionsfirst.com**

Dan Keran



This newsletter is printed on 80# Futura Laser gloss text.

Address Service Requested

PRESORTED
STANDARD
U.S. POSTAGE PAID
MINNEAPOLIS, MN
PERMIT NO. 2805

8801 Wyoming Avenue North
Brooklyn Park, MN 55445
www.visionsfirst.com