

Lin Grensing-Pophal, PCM

**DIRECT
MAIL** *in the*
DIGITAL AGE

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Introduction

Back in 1923, Claude C. Hopkins, widely recognized as a great advertising pioneer, wrote in *Scientific Advertising*: “The severest test of an advertising man is in selling goods by mail. But that is a school from which he must graduate before he can hope for success. There cost and results are immediately apparent. False theories melt away like snowflakes in the sun. The advertising is profitable or it is not, clearly on the face of returns.”

In 1991, I wrote: “Direct mail was the shining star of advertising in the 1980s and promises to continue to be so in the 1990s. It’s the fastest growing form of advertising because it’s measurable, relatively easy to produce, and cost effective.” Fast forward about 20 years and I could probably say exactly the same thing about e-marketing. How the world has changed!

While the delivery mechanisms are different, in reality, the basics of communicating effectively with whoever the target audience might be really haven’t changed very much, if at all. Effective communication is still effective communication, and direct mail — whether in the snail mail environment or online — still benefits from the same tried and true principles that gurus such as Claude C. Hopkins, and later, Bob Bly and Herschell Gordon Lewis espoused and practiced.

When you run a radio spot for your product or service it’s hard to tell exactly how effective it is. When you mail coupons to prospects — whether delivered via snail mail or email — it’s easy to measure the results; simply count the coupons you get back. Better yet, in the digital age, you can tell how many people opened your email, how many forwarded it on to others, how many clicked through to

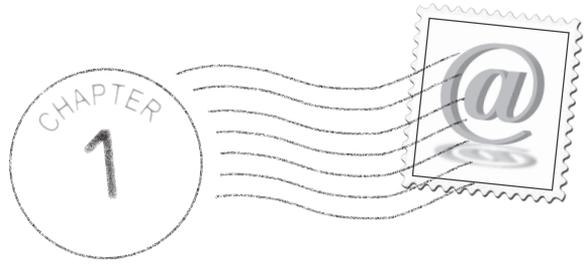
various parts of the message, and (based on their email addresses or domains) who they are!

Truly, the beauty of direct mail is its measurability — the ability for marketers to know, with certainty, the value of the effort they have put forth. That same thing can't be said about other forms of advertising. While success may be implied, it cannot be explicitly measured when we use techniques such as television advertising, billboards, print advertising, etc.

Regardless of what you have to sell or who you want to sell it to, direct mail (traditional and/or digital-era) can provide a flexible, measurable, and very cost-effective means of delivering your message and achieving results.

Those who are already steeped in the practice of traditional direct mail will find that there aren't a lot of differences between the traditional and the new-media approach. Those who have not yet dipped their toes into direct mail marketing will be glad to learn that the principles can be readily applied whether they're developing materials for delivery to a mailbox or a desktop.

It sounds simple enough and it really is. The information in this book will make it easy for you to plan and produce your own direct-mail campaigns, measure their results, and make improvements to subsequent campaigns to generate even better results. That's the beauty of direct mail!



Beginnings and Benefits

Direct mail can be simply defined as mail that is delivered directly to a single, intended recipient. It is direct and it uses the mail. Traditionally, in business-to-consumer environments, this has meant mail delivered to a mailbox. In business-to-business environments, mail is delivered to business addresses, post office boxes, etc., and is often sorted, managed, and distributed by mail rooms. Today it means mail delivered electronically to email inboxes or social media accounts.

Direct mail is a form of direct marketing. Lester Wunderman is widely considered to be the creator of modern-day direct marketing. Wunderman was born in 1920, is still alive as of this writing, and introduced marketers to such innovations as the magazine subscription card, the toll-free number, and loyalty rewards programs. He coined the term “direct marketing” in 1967.

Direct marketing is marketing that is directed at a specific group of individuals and intended to elicit an immediate response (e.g., placement of an order or generation of an inquiry). In fact, the basic requirement for a marketing effort to be classified as *direct* marketing is that the response be direct and immediate. General advertising, by way of comparison, is designed to convince consumers to make a purchase *at some later date*. On the one hand, when you watch a commercial for Target, the people who developed the commercial don’t expect you to immediately jump up, get in your car, and drive to Target. Direct marketing, on the other hand, is designed to elicit just such an immediate response.

1. Direct Marketing Techniques

Direct marketing may use one or more of the following techniques:

- Telephone
- Television
- Print advertisements
- Direct mail
- Digital direct mail
- Billboards

All of these are examples of direct marketing efforts that are designed to achieve an immediate (or almost immediate) response from a group of consumers. The following sections discuss these direct marketing techniques.

1.1 Telephone

You're sitting down to eat dinner when the phone rings. You answer it and, to your chagrin, it's a telemarketer trying to sell you something. This time that "something" is a magazine that you are really interested in and the price is right. You bite. Some clever businessperson just used telephone direct marketing to reach right into your home and make a sale.

While telephone solicitation, or telemarketing, is not direct mail, it does share one important element with direct mail — the need for a list of individuals who are likely to be interested in what the marketer has to sell. This is not true of other forms of direct marketing, as we'll see.

Telephone direct marketing has the advantages of immediacy and personal interaction with the potential customer, but many people feel telephone marketing is intrusive and they will react negatively to a phone call. In addition, some offers are too complex to be explained adequately in a short phone conversation. Add to that the movement away from traditional land lines to mobile telephones.

1.2 Television

It's late and you can't sleep. The program you're watching is interrupted by a musical performer from days gone by strumming a guitar and promoting a collection of greatest hits. To order, all you have to do is call a toll-free number now.

Or, you're watching what you think is a regular program, only to discover that you're in the midst of a long commercial known as an infomercial. The infomercial idea is not new; only the name is. The 30-minute commercial actually emerged in the 1950s. As programming time became harder and harder to get, the Federal Trade Commission outlawed these commercials. Now, however, with the renaissance of cable networks, they have become a staple of the airwaves.

Television direct marketing offers the strong impact of both visual and auditory messages at the same time. It is, however, much more expensive than other forms of direct marketing, and although some cable stations now offer marketers the opportunity to target specific market segments, the message will still reach a large number of people who are not part of your desired target audience.

1.3 Print advertisements

You're flipping through a magazine when your attention is caught by an interesting ad for product XYZ. To order, all you have to do is call a convenient 800-number or visit a website.

Print ads can be an inexpensive way of doing direct marketing, and the wide variety of consumer, trade, and technical publications offer marketers the opportunity to target specific market segments. However, a print ad in a multipage publication is competing with many other messages (including other ads) for the reader's attention. Also, news about the decline in subscriptions means fewer potential readers for your marketing messages.

1.4 Direct mail

Direct mail, a subset of direct marketing, takes this concept one step further by targeting specific individuals with an appeal to "act now." The big benefit of direct mail has always been the ability to target a specific message to a specific individual. Unlike mass-media marketing (i.e., television advertising), which is distributed to the masses, direct mail has the advantage of allowing the marketer to define a market based on various demographic and psychographic attributes and target specific messages to that market on a one-to-one basis.

With direct mail, your marketing dollars aren't wasted as they might be in other forms of advertising because you're targeting your promotion specifically to those people who will be most interested in your product. Let's take a look at a simple comparison:

You're selling a line of clothing for pregnant women. You could advertise on television — perhaps a spot on a cable network during a program whose audience is primarily women in their childbearing years. The key word here is *primarily*. Why? Because, in addition to these viewers, there will undoubtedly be female viewers outside this age group, as well as men and children. Even the women who are in their childbearing years may very well not be pregnant (or not planning to become pregnant) at the time your commercial is airing. But, you're paying to reach all of these viewers. You are, in effect, throwing a portion of your money away.

If you were using direct mail, however, you could find and purchase a list of women who subscribe to a magazine specifically for pregnant women. Or, a list of women who have purchased maternity clothes from another manufacturer. You pay only to reach those people you identify as prime targets for your advertising message.

Better yet, today the concept of direct mail has evolved to incorporate online mail (i.e., email) delivered to the inboxes of both consumer and business audiences.

1.5 Digital direct mail

Digital marketing (like direct marketing) is a broader term that encompasses online direct mail (or email) marketing, as well as the use of websites, blogs, social media, etc., to market products and services. Digital direct mail, like traditional direct mail, is a subset that is differentiated on the basis of specifically targeting individuals through the delivery of messages via email or online communication through various social media channels (e.g., Twitter, Facebook, LinkedIn) which targets them individually.

1.6 Billboards

Billboards or other forms of outdoor advertising can be used to elicit a direct response from consumers who drive or ride by the signage on a regular basis. Advertisers will evaluate traffic patterns to carefully consider the placement of these messages, which are often coordinated as part of a larger campaign that might also have messages in other media. An example of how this was done quite effectively is 1-800-FLOWERS; their phone number is an integral part of their messaging and is used to encourage direct response.

2. Digital versus Traditional Direct Mail

There is much more that is the same than is different between traditional direct mail marketing and digital email marketing. In fact, the primary difference is the distribution method — mail delivered to a traditional mailbox versus mail delivered online in electronic format. The basics still apply. You need to do the following:

1. Identify your overall goals and objectives.
2. Identify your target audience.
3. Identify your strategies and tactics (i.e., traditional or electronic direct mail or a combination of both) that will be most effective for you based on your goals, objectives, and target audience.
4. Create the offer.
5. Select, locate, and rent or purchase lists.*
6. Develop key messages or copy points.
7. Choose format options.*
8. Design materials.*
9. Distribute your promotion — either through the postal system or online.*
10. Evaluate the results.

As we explore each of these traditional steps in the chapters ahead, we'll identify any issues that may be different between traditional and electronic direct mail marketing.

3. The State of the Direct Mail Industry

In 1897, Mark Twain was quoted by the *New York Journal*, in response to rumors of his death, as saying: “The report of my death was an exaggeration.” Interesting how rumors could spread even before the days of mass communication and electronic communication. This quote has additional relevance for us because it could similarly be said of traditional direct mail marketing.

* **Note:** The points above that will have the most variation are 5, 7, 8, and 9. The others are the same. So, if you've been successful at traditional direct mail marketing, you're already well on your way toward achieving success online!

Many have lamented direct mail's passing and, in truth, the US Postal Service has struggled in recent years to recapture revenue lost by the decline in traditional mailed correspondence to more online communication. Despite the US Postal Service delivering approximately 170 billion pieces of mail in 2010, it lost about \$6 billion in revenue, making mail volume about 7 billion pieces fewer than in 2009, according to a release by Postmaster General John E. Potter in October, 2010. Much of that decline can be attributable to the shift from traditional direct mail to online options that can take advantage of significant savings, not only in postage but in print production costs as well.

Still, despite the dire prognostications, the Direct Marketing Association's "2010 Response Rate Trend Report" pointed out that response rates for direct mail have stayed steady over the past four years. For example, letter-sized envelopes had a response rate in 2010 of 3.42 percent for a house list and 1.38 percent for a prospect list. (See Chapter 4 for more information about lists.) Catalogs had the lowest cost per lead of \$47.61, ahead of inserts at \$47.69, email at \$53.85, and postcards at \$75.32.

Consider also, the ability to use direct mail to provide product samples (a proven and very effective marketing technique with a long history), and to deliver three-dimensional packages that attract attention and virtually demand to be opened.

According to a research study produced in cooperation with the Direct Marketing Association and sponsored by DiscMail Direct, DVDs and compact discs (CDs) are an example of a direct mail effort that yields significantly higher results than print media or email. The study, released in 2010, found the following:

- 91 percent of all respondents who received a DVD or CD in the mail opened the mailer
- 73 percent played the discs in their computers
- 59 percent thought a DVD was more secure than an email
- Respondents were 85 percent more likely to prefer receiving a DVD or CD in the mail than an email by the same advertiser
- 89 percent said they would spend more time, or the same amount of time, with a direct mail piece if it included a DVD or CD

Despite the fact that marketers could deliver the *exact same experience* online through a click of the mouse, there's just something about a tangible package that has yet to be replaced in the digital environment.

Traditional direct mail is inexpensive and effective. Aside from online marketing, it is still the most trackable means of communicating with a prospect, and it is still the most effective way to get an unsolicited message into consumers' hands where they're going to see it, even if they throw it away.

As with Twain, the report of the death of direct mail may certainly be an exaggeration. In fact, as more and more marketers bring their messages online and clutter up the mailboxes of their intended recipients, some will begin to take advantage of the relative "emptiness" of the old snail mail box. Here are some representative comments from participants in an online marketing forum:

- "My clients use direct mail every month to gain new customers and interact with existing customers. They mail from 50,000 to 500,000 pieces per month. They make money. Their customers love getting direct mail. It's personal, interactive, engaging, and extremely satisfying."
- "I prefer snail mail because my spam filter generally filters out more than 90 percent of the direct mail that comes electronically and I nuke the balance if I don't already know the person sending it. At least snail mail gets to the mailbox of the targeted consumer and needs a look to decide to recycle it."
- "Nothing captures my attention better than a well-written and engaging direct mail letter. Personal, well-crafted communication which stands out from the crowd is infinitely more compelling than a faceless, carbon-copied, email."
- "Direct mail isn't taking its last breath any time soon, but it is evolving. Business marketing strategies are different than they were even four or five years ago. Now it's common and necessary to integrate a marketing campaign with your website, social media pages, and email marketing. For example, you send a direct mail postcard to your target market, they go to a landing page where you offer a report or special discount and they, in turn, enter their contact info. Next you follow up with those contacts via email to stay in front of the new lead. It's a cycle that works together, and comes full circle, to close

a sale. Bottom line: Direct mail still yields results, is effective for a variety of industries today, and is still one of the only mediums that can specifically target your ideal clients.”

Karen Menachof, Chief Client Officer of Catalyst, a direct marketing firm in Rochester, New York, says, “Direct mail has always been the one channel where truly relevant information could be used by marketers to engage customers and prospects in a compelling manner to provide things that matter to them and thereby create true value while reinforcing the marketer’s brand. Data-driven insights have long been the key driver to success in this channel.”

What’s really changed now that the digital marketplace seems to have taken over? Menachof says, “Sure, some folks no longer check their mail — some even opt out of receiving it entirely. Sure, many folks are more likely to actively seek information online rather than wait for it to arrive in their mailbox. Sure, some folks view direct mail as an obsolete channel. But the truth is that the direct mail channel is keeping up with the times. Our ability to further customize direct mail communications based on what we now know about their cross-channel interactions with us has the potential to make it more relevant than ever. And as we get better at understanding the preferences of those we are marketing to and are able to identify those individuals who prefer mail and/or those circumstances which justify mail we may mail less, but with exceptionally more impact. Mail is not dead, but its success is increasingly dependent on the effective integration of all channels so that the individual’s needs are understood and addressed in the most relevant, impactful manner possible.”

Menachof’s final sentence is the key. While this book will deal specifically with direct mail which, as we’ve already seen, is a subset of direct marketing (which is a subset of promotion, one of the four Ps of the marketing mix that also includes product, price, and place), no individual promotional tool can or should be considered in a vacuum. To be most effective, marketers must consider the broad range of communication options available to them and then select the right *mix* of options to best meet their goals. In this book, we will focus specifically on the mix between traditional and digital email options. Still, many of the questions asked will be pertinent to marketing communication considerations in general.

What your prospects and customers will see of your direct mail is the actual presentation of your message, whether in letter, brochure,

catalog, three-dimensional, DVD or CD, or electronic format. Before you even begin considering the development of what will become the final deliverable to your target audience, there are a lot of behind the scenes decisions and work that need to occur. The first consideration, identifying overall goals and objectives, is discussed in Chapter 2.