



# Direct Mail for Beginners

# Direct Mail for Beginners

Sometimes marketing can seem akin to throwing a handful of darts at random moving targets in the hope that one of them will hit the bulls-eye. The savvy marketer, however, knows that to be effective, messages need to be targeted to the audiences most likely to be receptive and in a way that is most likely to resonate with them.

Executed correctly direct mail pieces like letters, postcards, booklets or small packages containing product samples or promotional items can yield much higher response rates than other forms of marketing. And this is just one of the reasons why direct mail has been a popular element of the marketing mix for decades.

“Direct mail can give consumers the chance to indulge themselves in a brand story that awakens all their senses. A great direct mail pack can create a sensory experience whether physically - a free chocolate bar with your Ocado delivery - or virtually - an account of a sleek ride in a sports car delivered inside a leather-bound book. Sparking the consumer’s imagination can develop that lasting brand relationship,” says Amanda Phillips, a writer for the Royal Mail’s Mail Media Centre website.<sup>1</sup>

Need further convincing there is a place for direct mail alongside today’s explosion of social media and email marketing ... that’s ok, the Mail Marketing Team at Australia Post<sup>2</sup> outline the following 8 reasons as to why direct mail should be part of your marketing strategy.

According to them Direct Mail is:

## 1. Targeted

You can send your mail to just one person or thousands of people. You know exactly who these people are, by name or job title and you can address them, within the mailing, by name.

## 2. Measurable

One of the most easy to measure of all the marketing tools, you can track results from initial response and requests for more information right through to first time buyers and then subsequent orders. By coding your mailings you can send different versions of the same message to different target groups and measure the effectiveness of each.

<sup>1</sup> [www.mmc.co.uk/Why-mail](http://www.mmc.co.uk/Why-mail)

<sup>2</sup> <http://www.mailmarketing.com.au/index.php?sectionID=1449&pageID=3011>



### 3. Tangible

Your message literally gets into the hands of the people with whom you want to communicate. And direct mail can appeal to each of the five senses: touch, sight, sound, smell and taste.

### 4. Easy to Personalise

It has never been easier to personalise your mailing, not just by the inclusion of the recipient's name but more subtly by ensuring your mailing appeals to their age group, gender or known preferences – digital printing means images, text and offers could be unique to each recipient.

### 5. Complements other Media

Direct mail can reinforce a print or media campaign as well as being followed up by email, SMS or by visiting a page on your website specifically geared towards this promotion.

### 6. Creative

The tangibility of mail in itself offers an array of creative options, from different shaped or dimensional mail, through to the application of scent and the inclusion of samples. In addition, direct mail provides the opportunity to include in depth information for your audience, which they can read at their convenience. (There's plenty more about creative later!)

### 7. Brand Building

Direct mail is not just about getting an immediate response, it can also be used effectively to build brands. As direct mail is so targeted and adaptable it is the perfect way to build your brand over a series of mail pieces and as your mail is addressed to an individual it literally takes your brand into their home or workplace.

### 8. Engages with the Audience

Promotional material received is generally read, filed or passed on with many recipients willing to respond if an offer is included.



Although encouraging statistics such as a 2010 Direct Marketing Association report cited by MMC<sup>3</sup> (a Royal Mail website) state 91% of prospect direct mail is opened (and that figure is up from the 2006 figure of an 88% open rate) we do know that not all mail is opened and there are no guarantees that the recipient

<sup>3</sup> <http://www.mmc.co.uk/Knowledge-centre/Facts--Figures/Direct-Mail-Effectiveness/>

will respond, but (and here's the encouraging bit!) there are steps businesses can take to improve response rates.

And it is the objective of this Blue Paper to advise how to conduct a direct mail campaign that is 'smart' and 'aesthetically savvy'.

## Setting objectives and planning an approach

The recipe for a successful direct mail marketing campaign can be found in a well-considered distribution list, a thoroughly effective message and an appealing presentation. Additionally, each successful direct mail campaign also includes budgetary, print, distribution, testing methodology and measurement considerations that should be addressed before the campaign can be truly effective.

Objectives help to shape the why into the how. Why are you considering direct mail? What do you want the campaign to achieve? Most direct mail campaigns are either trying to create or raise awareness of a brand, product or service or they are trying to make a sale or obtain a donation (in the case of non-profit organisations). Most businesses are focused primarily on either reaching out to new audiences or tapping into the power of current audiences. These objectives, while broad, set the stage for the entire strategy a business will take.

It's at this initial step of developing the strategy that most businesses will take into account the overall marketing strategy and business goals, often incorporating research from other marketing campaigns, to determine if a direct mail strategy aligns with goals and is ultimately the way to go.

So where do you begin ...

### Setting a Budget

If you're new to direct mail it can be a little tricky deciding how to set a budget but it really is much like any other area of marketing - the price will depend on a number of factors such as:

- The number of contacts you wish to reach
- Do you have an in-house database or do you want to reach new contacts and will need to rent a mailing list?
- Will you outsource the creative or use an in-house team?



- The size, shape and quality of the mailing piece (this has a knock-on effect for postage costs) and how it will be delivered
- How much it will be personalised

One of the reasons that direct mail has been around for years and is considered a viable marketing strategy for many businesses is due to its flexibility in costs. Direct mail can, however, become very expensive very fast if a business doesn't have a handle on all the costs associated with a campaign, no matter if it's done in-house or outsourced.

If you intend to handle everything internally, remember to include in your budget:

- Employee time spent researching the market and developing a mailing list
- The cost of list cleaning and adherence to The Data Protection Act (we'll mention data protection again later)
- Employee time spent on and the ability of staff to design the piece, write copy etc
- The cost of materials - including ink, envelopes and paper used by printers; the cost of any additional inserts / promotional items / product samples that may be included
- The cost of postage, including employee time spent assembling the mailing, pre-sorting and getting the bulk mail to the sorting office

If you decide to outsource some, or all of the process you might decide to start by looking at the Direct Mail UK web site<sup>4</sup> which lists hundreds of suppliers including design & print agencies, digital printers, direct marketing agencies, list brokers, leaflet distributors and envelope manufacturers.

It is worth noting that, generally, campaigns aimed at seeking new audiences are likely to require more hits - more pieces mailed within a shorter frequency - and often in larger quantities in order to see worthwhile results.

<sup>4</sup> [http://www.freeindex.co.uk/categories/business\\_services/marketing/direct\\_mail](http://www.freeindex.co.uk/categories/business_services/marketing/direct_mail)



Business

Bottom line: When developing a budget for a direct mail strategy, you can't just think about the materials - think about the quantity and the quality of each piece, too. Don't let price over-rule common sense - if you are targeting high net worth individuals or customers who will buy high value items from you, your mailing should reflect this quality; if you're promoting a relatively inexpensive item that is bought regularly your mailing need not be lavish.

### **Do the maths!**

Unless you're happy to spend time and money with no concerns regarding the return you're likely to get from your efforts, calculating the break even cost of your campaign is fundamental. Calculating break even entails working out what profit margin you'd need to make to cover your campaign costs.

Hand in hand with break-even is calculating the Return on Investment (ROI) - the likely return you'd hope to attain. The Royal Mail offer a handy online tool to calculate ROI - The Direct Mail Return on Investment Calculator<sup>5</sup> will help you identify the potential financial returns from sending out direct mail. After entering details about your campaign it calculates the potential ROI that could be achieved as the calculator is pre-populated with industry standard response rates and is intended to offer a guide to the response rate that could be achieved.

## Putting the direct in direct mail: Audiences and lists

A good mailing list is like gold. No matter how brilliant or beautiful your mailer is, if you send it to the wrong person, either as an individual or within an organisation, you have potentially wasted your time, money and marketing effort.

It's vital you make sure that whatever lists you're using - whether in-house or through a list broker - that it has been recently verified for accuracy. When working with rented or in-house data, you'll need to ensure you're compliant with Data Protection Act. You can read about the 8 founding principles of the Act and the latest guidelines on the Information Commissioner's Office (ICO) website.<sup>6</sup> When a business uses its own mailing list, this list is most effective when it is more than just names and addresses - it's a report of each audience member's transactions, interactions and responses. Gather customer information and begin researching specific demographics and patterns, thereby segmenting your audiences. Then, consider surveying these

<sup>5</sup> [www.directmailroi.co.uk/](http://www.directmailroi.co.uk/)

<sup>6</sup> [http://www.ico.gov.uk/for\\_organisations/data\\_protection/the\\_guide.aspx](http://www.ico.gov.uk/for_organisations/data_protection/the_guide.aspx)





segments further, through phone interviews or online survey tools, to learn about specific interests, tastes and experiences individuals may have with your business or organisation.

Alternately, when a business turns to a mail list provider (also called a list broker) like Experian<sup>7</sup> or Dun & Bradstreet<sup>8</sup> much of the segmentation can be done for you. Essentially, this route involves paying a fee to purchase a list for one time use or for multiple use. Generally lists are priced per 1000 names and fees can range anywhere from a couple of hundred pounds to thousands and beyond. Pricing is usually based on the recency of the data, the provider, the audience and whether additional information such as job titles, telephone numbers or email addresses are included.

Whether in-house or outsourced, lists should be compiled and segmented with a few questions in mind that will help to connect the dots between the objectives, the message and the target audience:

- Who is your buyer?  
What age and gender are they? What is their household income? Their marital status? Where do they live? Where do they work? What is their level of education? If in the B2B realm, what type of businesses are your customers? What industry? What size? How many employees? What is their sales volume?
- What are their buying habits?  
Online or in-store? How do they pay? When do they buy? What do they buy, how much and how often?

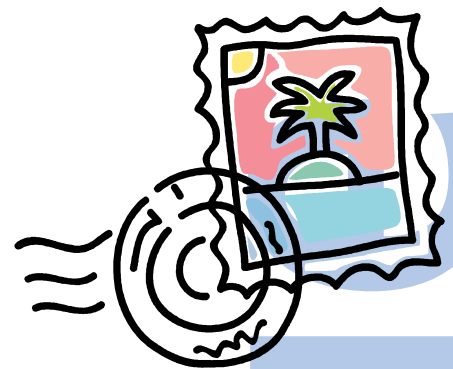
## Getting the mail piece from A to B

The actual distribution of your direct mail piece can be easiest part of the entire direct mail campaign - if you know what you're doing and are prepared.

### Postage

We mentioned earlier the dimensions and weight of the mailer will be reflected in the postal costs. The most cost effective size for bulk mailing is a direct mail piece that's approximately A5 in size and is no more than 5mm deep.

If you wish to include a FREEPOST return envelope or label you'll need to cost in



<sup>7</sup> <http://www.experian.com>

<sup>8</sup> <http://www.dnb.com>

the materials and set up an annual licence<sup>9</sup> with Royal Mail for this service – and of course you'll need to budget for the number replies you'll need to pay for that will come via this route.

### Testing

Always test direct mail campaigns on a small percentage of your overall intended distribution, especially when using newly acquired lists, or if your business is feeling unsure about the potential response from recipients. Author and marketing expert, Jack Ferrari, recommends testing 10% of your list and no less than 250 pieces.<sup>10</sup>



“This will give you enough of a spread across variables to make the results worth something,” says Ferrari. Ferrari also recommends setting a target response rate prior to mailing which will determine whether or not the full mailing will take place. Typically this could comfortably be a 3 – 7% response rate.

Test runs will also help a business gauge what kind of commitment will be necessary, in terms of manpower and resources, to handle a full run. If your business offers a free trial or a particularly generous discount that turns out to be quite popular in the test run, it may be more cost effective to go with a smaller run than initially planned or to reconsider the call to action offer.

### Frequency

In most cases, direct mail strategies will not reach the heights of success if the target audiences are only hit with a mailing once or, if they are hit with multiple mailings at an infrequent rate. Ideally, a business's direct mail piece will arrive just when their target is ready to act (eg ready to make a purchase or place an enquiry) - which of course reinforces that timing is everything – and means many businesses will have to make several hits (attempts) before this moment occurs.

### What will your direct mail piece look like?

It is often quoted that approximately 40% of the impact from a direct mail piece comes from the value of the offer or call to action, while roughly 20% of the impact comes from the design and copy.<sup>11</sup> In order to grab the target audience's attention, communicate a message clearly and successfully to see follow through, serious thought has to be put in to what exactly the direct mail piece says and looks like.

### Choosing a format

Options abound when it comes to direct mail pieces, from traditional sales letters

<sup>9</sup> <http://www.royalmail.com/delivery/returning-mail-and-goods-uk>

<sup>10</sup> <http://www.entrepreneur.com/article/80786>

<sup>11</sup> <http://sequelresponse.com/SequelServices/CreativeStrategy.aspx>

Business  
replies  
B



to postcards to booklets to newsletters, business have untold opportunities to communicate with their audiences.

### Letters

Letters are the perfect fit for direct mail objectives that require an introduction to a brand, product or service, or are seeking to build rapport or persuade audiences.

### Postcards

Great for drawing immediate attention to a message, postcards are great for promoting a sale, a programme or an event, new products or services, special offers and coupons or as a thank-you note for a recent purchase.

### Booklets, flyers and brochures

Helpful in reinforcing a letter, booklets and brochures allow for messaging to be expanded and illustrated visually. These pieces are great for reaching new audiences, sharing brand messaging, featuring product and service information, or highlighting an aspect of business.

### Catalogues

Catalogues are ideal for those businesses looking for a way to showcase a wide array of products, services or programmes in one place.

### 3-Dimensional mail

Basically any mailer that isn't flat and 2-D! This type of direct mail requires a larger investment - both in the cost of any items a business sends and in the packaging and postage required to distribute to audiences, but it can have the greatest impact and therefore a greater ROI. Here at 4imprint we send large Blue Boxes to our customers each month that are packed with samples, product literature and catalogues.

### Writing direct mail copy that works

All direct mail copy should, in addition to aligning with your company's brand, include two very important elements:

- A strong message
- A call to action



Letters  
Rap  
B

A good direct mail message is written in conversational tone, without the use of jargon or acronyms, and walks the line between highlighting a brand, product or service and divulging the benefits to the audience. All messages should be written in a clear and concise way that evokes emotion in the reader. Furthermore, messages should use “you” twice as often as “I” or “we” in order to ensure that the focus is on the recipient.

Under no circumstances should you forget the call to action - one or two sentences that clearly tells the reader what it is that they should do (call, register, order, visit), why they should do it, how they should respond and by when.

Ferrari believes that businesses sometimes make the mistake of simply sending existing marketing materials to their prospective target audiences without any context and missing the call to action. “You need to create a direct mail piece with a strong offer that will spur the recipient to action.”<sup>12</sup>

A good call to action is one that relates and is of value to target audiences, is clear and explains how the offer can be redeemed. Consider calls to action that incorporate an offer of some sort, like ‘Buy today and save 20%’ or ‘Register today for a free gift’ as these should encourage and motivate the recipient and also instill a sense of urgency.

### **Designing the final product**

Once the general format has been conceptualised and copy written, the design can be executed. Whether you’re using an design agency, outsourcing to a freelancer or handling the design in-house remember to check all postal costs upfront or you could end up having to completely redesign the mailer to meet your budget.

### **Adding a personal touch**

Personalisation in direct mail doesn’t just come into play in the targeting of lists or in the tailoring of messages, it can also come into play in the small details that call attention to the mail piece or give audiences the feeling or impression that a real human being took the time and care to assemble a letter or package just for them.

As Chris Wilson, managing director of award winning agency Earnest explains:<sup>13</sup> We used hyper personalisation in the ‘I am’ campaign we created for IT company Thunderhead. Aside from using the recipient’s first name, the direct mail

<sup>12</sup> Ferrari, Jack. “How to Create a Direct Marketing Campaign.” t. 01 Nov. 2007. Web. 10 Mar. 2010. <<http://www.entrepreneur.com/marketing/marketingbasics/marketingmaterials/article80786.html>>.

<sup>13</sup> <http://www.earnest-agency.com/portfolio/thunderhead-IAM.php>



Entrepreneur

identified specific business issues felt by each recipient's company. The campaign was aimed at generating demand for Thunderhead's software amongst senior executives operating in Europe's largest banks and insurers.

Wilson explains, "It's important to show it isn't a mass mailer, it doesn't physically cost any more to gather this extra information but it does take more time and effort."

"Direct mailers who find ways to personalise their communications, either through variable data printing, customised micro-sites or simulated handwritten notes continue to see a better response rate than those who don't," said Crystal Uppercue,<sup>14</sup> marketing manager at EU Services, a direct marketing services company based in the United States.

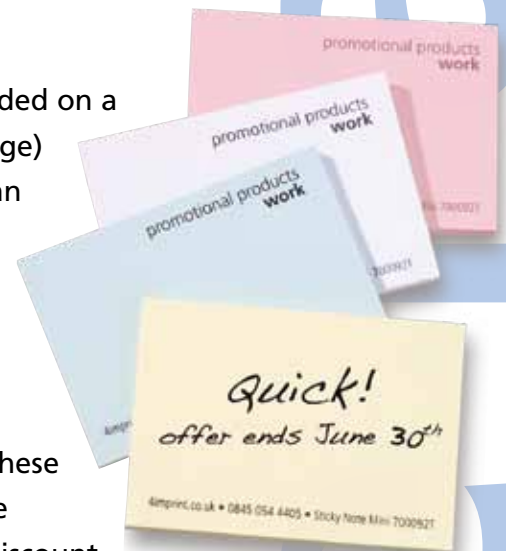
**Variable data printing** - printing that allows for certain elements of a print piece to vary during the printing process, such as names, addresses and salutations. Instead of 'Dear Valued Customer,' variable data printing allows a business to insert the name of someone on the mailing list.

**Customised micro-sites** - personalised URLs (PURLs) or websites included on a mail piece allow recipients to go to a website (or a single landing page) created by your business or organisation that is tailored to them as an individual or as a segment of your target audience. The print piece drives recipients to this personalised page for more information, providing valuable content to them and measurement tracking for your business's ROI.

**Simulated handwritten notes** - usually in the form of a sticky note, these notes are affixed to a direct mail piece to draw attention to both the overall direct mail piece and any message on the sticky note, like a discount or special offer. This type of addition to the mail piece is perfect for testing different offers, vary the message across the notes and see which responds best.

Finally, to make sure all bases are covered, a business should ask a few last questions before moving to print:

- Does this direct mail piece relate to the target audience?
- Does this direct mail piece have emotional appeal? Does it create excitement?



<sup>14</sup> <http://www.fundraisingssuccessmag.com/article/trends-watch-2009-clear-mailing-ahead-403788/2>

- Will this direct mail piece prompt a response to the call to action, NOW?
- Does the direct mail piece make it clear how to respond?

### Tracking results

As we said at the beginning of this Blue Paper, one of the great strengths of direct mail is how easily it can be measured. Mailings that include some sort of offer are particularly easy to measure as redemption or response rates can be directly tracked through purchases or the number of recipients who contact a business to take them up on an offer.

Monitoring website traffic for increases in traffic following a mail drop is another way to measure exposure, as is tracking inbound phone calls or email enquiries.

Non-profit fundraisers, as well as many businesses, have for years included a reference code, numeric or alphabetic, that is unique to each individual mailing on materials included in direct mail appeals or campaigns. In doing so, not only can efforts be measured in donations/orders received, but further data and measurement can be gleaned - such as which appeals are most effective or which geographical area or industry sector yield the largest response - for use in future direct mail campaigns.

Measurement of response rates or the effectiveness of campaigns can mean the success or the failure of the next direct mail piece - so pay attention, learn from any mistakes and make alterations where necessary.

### A Case In Point

When Swinton Bikes (part of Swinton Insurance Group) wanted to increase the number of enquiries for its great value insurance policies aimed purely at bikers, it began to work with Red C, a direct marketing agency.

Generating good quality leads is critical for an insurance company. In order to target potential customers effectively and reduce the cost per lead taken, Swinton Bikes decided to incentivise bike dealerships to refer their customers to Swinton through the Swinton Bikes Dealer Scheme.<sup>15</sup>

To get dealers onboard, it was important to communicate the financial benefits



<sup>15</sup> <http://www.b2bmarketing.net/knowledgebank/direct-marketing/case-studies/case-study-swinton-bikes-dealer-campaign-red-c>

of joining the scheme clearly and succinctly. As Red C explain: 'Bike dealers are busy individuals so we needed to grab their attention. And we did. Our campaign launch pack used powerful direct mail techniques along with strong messages, simple instructions and clear benefits. We made it as easy as possible for dealers to refer their customers to Swinton Bikes, and they responded in their thousands.

The campaign was launched in 2011 with a direct mail pack outlining the Swinton Bikes Referral Scheme benefits and the £10 incentive they'd earn for every referral. Every mailing was followed up with a telephone call, which allowed us to address any concerns and answer any questions directly. This approach was extremely successful and we recruited over 500 dealership owners to the scheme.



Once they had signed up, the dealers were sent unique business cards, complete with trackable contact number plus other promotional material including a mousemat, keyring and pen. This was all designed to keep Swinton Bikes front of mind when they were completing a bike sale with their customers.

To keep up the momentum, we sent regular monthly mailings along with their commission cheques. For inactive dealers, this was also an opportunity to illustrate what they were missing out on and reiterate that they could start referring at any point and start earning 'easy money'.

According to Alexandra Cooke, campaign manager at Swinton Bikes: "This dealer campaign has been an astonishing success for us, opening up a brand new channel that is generating almost 10% of all our new business calls now, and at a fraction of the cost of other more traditional channels such as press and directories. The strength of the Swinton Bikes brand together with the local knowledge and expertise of our dealer partners is clearly proving a compelling combination for bikers."<sup>16</sup>

Over 21,000 leads have been generated since the launch of the campaign and referrals continue to be generated.

## In a nut shell

Direct mail strategies are both popular and effective for many businesses and it's one of the few truly traditional marketing strategies that have stuck around through generations, cultural shifts in consumerism and the marketing industry.

<sup>16</sup> <http://www.b2bmarketing.net/knowledgebank/direct-marketing/case-studies/case-study-swinton-bikes-dealer-campaign-red-c>



Direct mail can make a fantastic introduction to your company, new product or service, and works brilliantly in conjunction with most other marketing efforts.

When done correctly - with research and purpose - a direct mail strategy can be an extremely efficient, effective and affordable marketing strategy for any business or organisation to pursue, and it's much better than a handful of darts thrown at moving targets.



4imprint Direct Limited is part of 4imprint Group plc that serves more than 100,000 businesses with its innovative promotional items and corporate gifts throughout the UK, Ireland, USA and Canada. Its promotional product offerings include personalised gifts, [promotional pens](#), [Post-it Notes](#), [personalised mugs](#), [printed keyrings](#), [cotton bags](#), [mousemats](#), [printed drawstring bags](#), [sports bottles](#), [printed USBs](#), [diaries & calendars](#), [printed T-Shirts](#) and much more. 4imprint's 'no quibble' guarantees include the promise that if the personalised goods are not despatched on time they'll be free! For additional information, visit [www.4imprint.co.uk](http://www.4imprint.co.uk)

Blue Papers