

March 2008

Smart Marketing Bulletin

Free practical tips to boost your business

This month's Topic:

PROMOTING YOUR BUSINESS BY DIRECT MAIL

Direct mail is a classic marketing tool for all sorts of businesses - large and small. Although it has a new electronic rival – email – sending out a printed mailing still offers many uses and benefits for your business.

Think of direct mail as a sales or marketing person in print sent directly to customers or prospective customers by post. It usually takes the form of at least a letter, flyer or brochure, and a reply card, but other items are sometimes included too – for example a ‘free’ guidance leaflet or a newsletter – to try and add more interest.

You can use direct mail in a host of different ways. The most common uses are:

- To target potential new customers and attract new sales
- To widen awareness amongst existing customers about your full range of products or services
- To launch a new product or service to existing customers
- To ‘keep in touch’ with existing customers and help build greater loyalty
- To communicate general news about your business to customers e.g. longer opening hours, or a new service you are introducing
- To alert particular types of customers with specific proactive advice, information or guidance
- To invite customers to an event, meeting, advice session or other specific occasion

Benefits

Using direct mail can be a very effective communications tool. It has several advantages over other media like advertising and PR:

- It allows you to target with precision by pinpointing a specific profile or range of people that are relevant to your communication needs. If you are communicating to
- a niche market or your customers are widely spread, direct mail is particularly valuable.
- Direct mail is personal, so it gets noticed and has impact
- You can measure the results of a mail-shot precisely in terms of response, which thus makes it easy to test different creative and marketing approaches as well as to evaluate easily an individual mailing's value. Remember, though that a mailing can contribute to longer-term value, for instance, raising awareness and improving customer relations, not just short-term response results
- A mailing pack provides plenty of opportunity to be creative and present quite a lot of information in a flexible way
- Direct mail can be kept by the recipient for reference or use later

Using the right list

The most important factor with a mail-shot is getting the targeting right. The more precisely you target, the better your response rates will be. The key is to use the best mailing list you can.

Your customer records are probably your most valuable asset as they invariably generate the highest response rates, but if you are moving into new market sectors they may not provide the data you need. External lists are available from a number of different sources, including mailing list agents (often called 'list brokers'), magazine publishers, directory publishers, professional or trade associations, commercial organisations and retailers. Whichever source you consider, do check how closely the list matches your customer profile.

Since customer lists are so important, it is vital that you keep customer data up to date. As you or your staff come across changes in information about existing customers, be sure to capture those changes promptly on your database. Periodically – at least every six months – carry out an overall review of all your records and make any amendments or deletions you need to.

There are two main problems with lists which you need to deal with. Firstly, duplication, which is where the same individual appears several times on the same list, possibly in different guises, for example, as Ron Smith, R.T. Smith, and Mr Smith. Secondly, out-of-date information, where the original mailing recipient has moved on or sometimes, as happens unfortunately, died.

Bear in mind that, in maintaining and storing data about individuals, you must comply with the requirements of the 1998 Data Protection Act. This lays down specific requirements regarding how you may collect, store and process data (*See the later section below*).

Boosting response rates

There are several things you should do to try and maximize response levels from your mailings, including:

- Ensure what you are **offering** is as relevant as possible. Avoid creating the impression the recipient is part of a mass audience. Offering an unsuitable product or service or using very bland or generalised communication will guarantee your mailing going straight in the bin! Also check, if you are using a few different list categories, that all lists have been de-duplicated against each other before use, so that the same individual will not receive more than one mailing.
- **Personalise** the mailing – including a personalised envelope and letter. The letter should be personalised by including the name of the person in both the address and greeting (salutation): ‘Dear Mr Jones’.
- If you are trying to persuade or sell, use a **well-written letter**. Follow the basic tips in the section below.
- Include one or two **enclosures** in the envelope to make the mailing more interesting and informative. Obvious examples of enclosures are leaflets, catalogues, price lists, information on special offers, and, if permissible, free samples or invitation to an event.
- Make it easy for people to **respond** and highlight these methods. A reply card used to be a standard enclosure in mail-shots but nowadays people prefer to go straight to a website address, respond by email or reply by telephone.
- Use **well-designed** materials. Design quality is important in getting your message across clearly but also in order to look professional. Whilst you may well be able to run off letters in-house, it is best to hire a professional printer or agency to produce any leaflets or brochure you want to use. They will know about vital things like the best type faces and sizes to use, how to use headings and how to layout your messages and use illustrations and colour.
- Incorporate a **deadline or incentive** to respond. Asking people to respond by a given date – even if you won’t actually enforce it – will encourage people to act sooner rather than later. Also, if you can offer a modest, acceptable incentive e.g. free copy of a guidance leaflet, you will further boost response.

- **Timing** – Think about the best timing for people to receive your mailing. Consider factors like when is your customer likely to be making the buying decision? Or, if you are promoting a new product or sales offer, when will that actually be available ?
- **Test** – Part of the flexibility of direct mail is that you can test different aspects of your approach, so you can learn which tactics work best. The main elements to consider testing are: the mailing list; the offer; the creative approach; messages/words you use; the response mechanism; and timing.
- **Integrate** with other marketing activities. Your mailing will be more effective if it is part of a wider campaign using other marketing methods at the same time, such as in-store leaflets, press advertising, an exhibition, press releases, or salesforce calls..
- **Follow-up.** If you follow-up a direct mailing with a telephone call you can increase your response rate by 50 – 100%. Don't leave it too long after the mailing date: a call after about 3-5 days after expected receipt of the mailing is usually best.
- Mail **regularly**, not ad-hoc. Try to avoid sending one-off occasional mailings to customers. Instead, aim to keep in touch with customers on a regular basis. Not only does this help to build up awareness but you can never tell exactly when an individual customer is going to be ready to buy, so contacting them on a number of occasions will stand more chance of hitting them when they are.

Good luck with your direct mail ! It's a sure marketing method which will serve you well.

Some Extra Tips for you to apply !

10 Tips for writing a good sales letter

- Use a personalised salutation e.g. Dear Mr Smith
- Begin with an attention-grabbing headline – a major benefit, a question, an intriguing fact, something new/surprising etc.
- Refer next to a particular issue , need or problem facing the target reader
- State what you are proposing / offering to address the reader's need

- Explain then the benefits / results the reader will gain from your proposal
- Towards the end include an action line e.g. telephone for further details
- After your sign-off add a short 'PS', as it is always noticed ! It's a good place to reinforce a key selling point/benefit or place some urgency on the response required.
- Write as if you were having a conversation. Use easy to understand, plain English. Use short sentences and short paragraphs. Avoid jargon and long words.
- Use the words 'you' and 'yours' a lot throughout the letter, as it will then come across as if you are talking to the reader personally.
- Finally, proof-read and check for punctuation and grammar. A good tip is to read your letter out aloud.

And still more Tips for you !

Complying with the 1998 Data Protection Act

- If your business collects and uses data about individuals (customers, patients) for direct mail or other purposes (even if just names and addresses), you should register as a 'data controller' with the office of the Information Commissioner.
- You must get permission from people before you collect information about them and you must tell them what you are going to do with that data
- You must only hold data which is relevant and not excessive for the purposes intended
- You must make sure personal data is accurate and kept up-to-date and you must keep it securely
- You should not hold data for longer than necessary
- Every individual has the right to see the data you hold about them and also the right to have data corrected or deleted, where appropriate, with compensation possibly available for any damage or distress caused.
- You should not disclose data about individuals to third parties without their prior consent

*Contact: Information Commissioner helpline: **01625 545 745** or **www.ico.gov.uk***

Remember - If you need any further advice, please get in touch with Owen Morris on 01494 761811. We're here to help !