

WAYS YOUR BUSINESS CAN USE DIRECT MAIL

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OVERVIEW

Reaching customers through direct mail is big business. Currently, over \$31 billion dollars are spent annually on direct mail marketing in the United States. Because of the one-to-one nature of direct mail, you can target specific individuals who have a need for your product- increasing the likelihood of making a sale. You can also build lasting customer relationships that result in repeat business.

If you include a reply device, you'll promote immediate response. Of course, you can use the number of responses to help measure the success of your campaign.

Direct mail is the perfect way to reach selected prospects. And it can be a complement to your overall marketing mix.

A direct mail package can be designed to make an instant sale, open a dialogue between the potential buyer and seller, or simply inform the potential buyer about a particular company's products and/ or services. Whatever the desired outcome of a direct mail effort, one fact remains- direct mail is a proven way to reach customers.

Direct mail can be focused.

Mass media is more of a shotgun approach to a large, diverse universe of potential customers. Direct mail, on the other hand, can be targeted to a single individual, at a single address. The degree to which that individual is a potential customer, meeting a specific set of criteria, is a function of the lists you use.

Direct mail sales can be predicted with accuracy

By carefully testing and tracking responses on a small scale, you can effectively predict the revenues resulting from a large-scale campaign. In addition, the results of a direct mail campaign can be measured with precision.

Direct mail allows you to take your product or service to the customer.

Direct mail can make it easier for a customer to make a purchase in a number of ways. For example, you can alert potential customers to new products or sale items before they come into the store. You can also include an order form and complete the entire transaction through the mail.

Direct mail is economical.

Depending on the magnitude and complexity of a given campaign, direct mail can be a cost-effective vehicle to reach a sizable audience of potential customers on an individual basis.

WAYS YOUR BUSINESS CAN USE DIRECT MAIL

Direct mail is a powerful marketing medium not only because you can use it to precisely target your audience, but also because it can be used effectively to achieve a variety of marketing objectives, including:

- Prospecting for new customers
- Generating qualified sales leads
- Establishing and maintaining relationships
- Cross-product selling to existing customers
- Building brand recognition
- Enhancing results from other forms of advertising

Not all of these objectives apply to every business. Here are some specific ways that certain types of business can use direct mail to achieve their marketing objectives.

Retailers

- Give advance notice of a sale by mailing postcards to preferred customers
- Mail flyers or brochures to all nearby addresses announcing new product lines, monthly specials, new seasonal hours, etc.
- Raise awareness and effectiveness of other advertising by mailing a postcard asking customers to watch for other advertisements.

Service Companies

- Mail a periodic newsletter informing customers of new developments in your industry and providing helpful tips relating to your service.
- Turn your current customers into a sales force by mailing a "tell-a-friend" promotion offering premiums or discounts to customers who refer new business to you.
- Prospect for new customers by swapping lists with a company in a complementary business. For example, a pet groomer could exchange customer lists with a local veterinarian.

Manufacturers

- Announce new products or prices to customers and distributors. .Notify buyers of one product about the availability of other products you offer.
- Alert customers to the availability of upgrades and accessories to products they have purchased.
- Send or offer small product samples to qualified sales leads.

Professionals

- Mail cards to clients announcing changes in staff at the firm.
- Raise awareness of your services by alerting the community to special events related to your service. For example, a health clinic could mail a flyer promoting Heart Health Awareness Week.
- Mail a periodic newsletter informing customers of new developments in your field and providing helpful tips relating to your service.

CAN YOU MARKET YOUR PRODUCT/SERVICE THROUGH THE MAIL?

Direct mail is a proven means of getting customers into your store and of taking your store to the customer. Experts agree that just about any product or service can be sold by direct mail if you use the right elements, such as price, list, package and advertising copy. However, the most important thing to determine is whether the product or service can be marketed through the mail profitably.

To better understand your product's chances of direct mail success, consider the following points before making a decision to launch a direct mail campaign.

Product Uniqueness

Many successful direct mail campaigns involve unique products or services, or at least unique features. If your product is not actually exclusive, you can make it seem novel by highlighting important features and benefits.

MAIL ORDER

The following checklist may help determine whether mail order makes sense for your company:

- Are your competitors selling similar products through the mail?
- Who is your audience? Are there lists available to reach these potential customers, and what will the lists cost?
- Will the price of your product be competitive?
- Will you accept credit cards/COD/checks/installment or deferred payments?
- Will shipping costs significantly affect the cost?
- Is your product or service one that will be reordered often? .Can multiple items in your product line be sold to the same customer?
- Will selling your product through the mail require toll-free phone numbers or service hotlines? Can this be done profitably?

Price Testing

Consider testing a few mailings with two different prices. Randomly send half of your prospects a direct mail package with one price, and send the other half an identical mailing with a different price. If you receive a similar number of orders from both campaigns, you can proceed with the campaign using the higher price. If a lower price brings in more orders, you can select the price that results in the higher net profit.

Note: Some experts believe that split-dollar prices (e.g., \$19.95 vs. \$20.00) bring in the higher revenues because consumers generally focus on the dollar figure and disregard the cents.

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