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Direct marketing campaign

What does a direct mail campaign comprise of?

A typical direct mail campaign will comprise of a letter and envelope, and may also include a gift or teaser of some description. Depending on the nature of the offer there may also be a response form - to fill out and mail or fax back in the case of a special offer or sale.

The objective of the exercise is to get the reader to read the material and react so their attention must be grabbed either by the gift/teaser included in the letter, or by the opening sentence in the letter.

Sometimes the gift/teaser will have a further part to it which the recipient will get once they have responded to the offer - a bit like buying a car but not getting any wheels!!! Examples of some of the gifts/teasers that have been used include:

- Obvious promotional gifts e.g. pens, pen knives etc.
- Tea bags/coffee sachets - "have a coffee break with us" is the opening sentence in the letter.
- Sample cookies from a cookie chain looking to acquire new outlets for its product.

In cases of large corporate functions/events the gift or product can be quite expensive - remember it is all about making an impact. There are many more examples that can be used but thought needs to be given to the nature of the offer, the person receiving it and the industry you are in.

Planning a direct marketing campaign

There is an old adage that says "Failing to plan is planning to fail", and exactly the same applies to direct marketing activities. Factors known to affect the success of a direct marketing campaign include:

- The accuracy or currency of the database that is used.
- The nature of the business, product or promotion being offered.
- The way the offer is presented, including wording of the letter, presentation, inclusion or otherwise of a gift or teaser, and ease in which a response can be made e.g. 1800 number to call, fax back order form, or web site etc.
- The time that the offer is sent out - for example do not do this at end of month when accountants are doing month end figures, Fridays are often not a good day for people to receive the mailer either etc.

Factors to consider in a direct mail scenario

1. Decide who the target audience will be, including their role in the company. There is no point sending the production manager a promotion on purchasing office supplies, or the accounts person a sample of your new engineering tool.
2. Consider what follow up activities you will engage in to increase the success of the campaign, and when these will start. For example you may wish to start phoning four days after you have mailed the offer and need to have the resources to follow up, not decide on the day that, "Oh well I suppose we need to make some phone calls."



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3. Look for ideas from other companies. What have you received? Can you use something similar? If unsure, find a direct marketing company who may be able to assist you.
4. Decide on how much you intend to spend on the exercise, and do not go beyond this until you have proven the success (or otherwise) of the campaign.
5. Plan the time and resources required to put this together. This could include such things as:
 - Buying a database of names or updating existing files with a preliminary telemarketing exercise to increase the accuracy of your own database.
 - Printing of any promotional material - brochures, gifts etc.
 - Ensuring what you send will easily fit into standard size envelope and travel safely. There is no point sending an unprotected sample cookie in a standard envelope, unless your opening offer is "crumbs our products are good!!!" Also the quality of the gift or teaser must match with the nature of what you are selling. Spending fifty cents on a cheap plastic imitation when selling an expensive European product may get the wrong message across.
 - Generating mailing labels and personalised letters. One of the hardest things to do is get the labels to print in the right place, and not have missing lines in your letters. Consider giving the data electronically to a mailing house and have them handle this for you.
 - Checking any restrictions (eg size and weight limitations) with the Post Office before constructing the offer. There is no point being 10 grams over in weight and paying an extra fifty cents per piece if you can cut out the 10 grams and still get the same message across. In addition, the Post Office may offer discounts for large volumes of mail received earlier rather than later in a day, or for a different day of the week. As well, if you have a flier that encourages people to reply to your offer by mail (thus potentially increasing mail volumes) you may also get a further discount.
 - Investing in a free-phone number, and freepost number so that customers can either call or mail their reply at no charge. These are only small things, but all make it easier for your customers to respond.
 - Testing the offer first. Decide on a representative sample and undertake a test mailing first. This will allow you to detect any problems or issues that arise, before doing the "main event". If you are mailing under 1000 people be aware that a test may provide you with inconclusive results.
 - Considering where the list of recipients will come from. This will be dictated by the nature of the offer. Do you already have a customer database (different from your accounting software)? If not would the data in your accounting software be sufficient? If you are looking for new customers, then you need to contact a list management company and purchase the list.
 - Deciding on how you will manage the response. Offer points to consider include: training you will provide staff, whether your phone lines will cope, and whether you need to use a call centre etc. There is no point in running the most successful direct marketing campaign in history only to lose all the customers because it took 3 weeks to get back to them. Managing the response includes detailing the replies. You will determine if there are any useful patterns that emerge from the responses you receive, so that this can be used for future exercises.

Mailing lists

If you are looking at a direct mail type venture, then it is most likely you will need to obtain good mailing lists of potential customers. These lists can be bought through mailing list brokers and others in this field.

These lists provide details of the age and income so that you are able to target those that closely fit your criteria. The price of the list will depend on the information supplied. For example, if you are just buying a phone number or an address, then the cost is less. If you are buying full details of the potential customer, including their occupation, their income level, their age, their product preferences etc., then the price would be much higher.

Before purchasing a list, always make sure that the sellers of the list are able to give you some references of those who have bought lists in the past. Many lists are out of date and, once you start marketing, the return rate through change of addresses and so on can involve you in more time and costs than is necessary.

How to build your mailing list

- Never ever throw away a name or business card. Put them all into your database.
- Start with purchasing a specific customer database software package. These can be single or multi-user.
- With the emergence of programs being delivered across the Internet there are also some programs that allow you to store the data remotely and you pay a monthly rental to use the program.
- Always make sure that the data can be exported, so that as your business grows, you are not "stuck" with a small inflexible product. Also, this allows you to easily send the information to a mailing house.
- Once you have the program, it is also advisable to get some training and customisation so that it can be configured to the way you operate "your" business. Whilst this will add some additional cost, it will ensure that you start out on the right foot, and do not have to spend a lot of time redoing things later on because you did not get them set up correctly in the first place.
- Most organisations are sitting on a minefield of names but do not know it.
- Start with your accounting software, business card directory, sales reps card directories - you will be surprised how many names this gives you.
- If you need additional names, or are intending to target new customers you will probably need to purchase names from a mail list company. Be aware that some companies will only rent you the list, or may get you to supply the mail pieces and they do the rest.
- It is also worthwhile making sure you are aware of the Privacy Laws affecting holding and using people's names for the purposes of sales and marketing activities.



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Putting it all together

1. Decide on what you are going to offer as the "bait". This will depend on what you would like the target to do. Examples include:
 - A discount.
 - Buy 1 get 1 free.
 - Other free gift or service on purchase.
 - Entry to a draw or competition.
 - Money back guarantee.
 - Free sample.
 - Include limitations such as time, quantity or first x number of customers etc. Also, ensure that your offer does not overly compromise your business profit margins. Remember that you have to cover the cost of the campaign, as well as generate normal profits for this to be a successful exercise.
 - Collaborate with other businesses.
2. Write the text of the letter, making sure that your reader immediately has their attention grabbed by the opening paragraph, and that you demonstrate the value or benefits in your USP (unique selling proposition). This can be done by ensuring you emphasise things that are important or unique about the product or service, stand behind your offer (money back guarantee) and at the same time instill a sense of urgency or call to action - of, "I've read this, I like this, what do I do now, or how do I get one?" This is where the free phone number, web links or postage reply card come in handy.

Further information

The following fact sheets provide further information on these issues:

- Direct marketing – introduction
- Direct marketing – advanced