

1 You get more “bang for your buck.” Studies show that, on average, every dollar spent on Direct Mail advertising brings in **\$10** in sales—a return of more than twice that generated by a direct television ad.

2 You reach prospects that actually WANT to hear from you. More than half of all American households say they would actually like to receive more Direct Mail or that they would enjoy receiving some.

3 Consumers are receptive. Americans spent more than **\$244 billion** in response to Direct Mail in 1996.

4 Businesses are also receptive. Over **\$145 billion** in Business-to-Business sales was attributed to Direct Mail in 1997.

5 It’s a powerful revenue-building tool. By using Direct Mail to reach out to consumers, businesses can expect sales to increase more than **7%** between now and 2002.

6 There doesn’t seem to be an end to its potential. In fact, Direct Mail sales reached

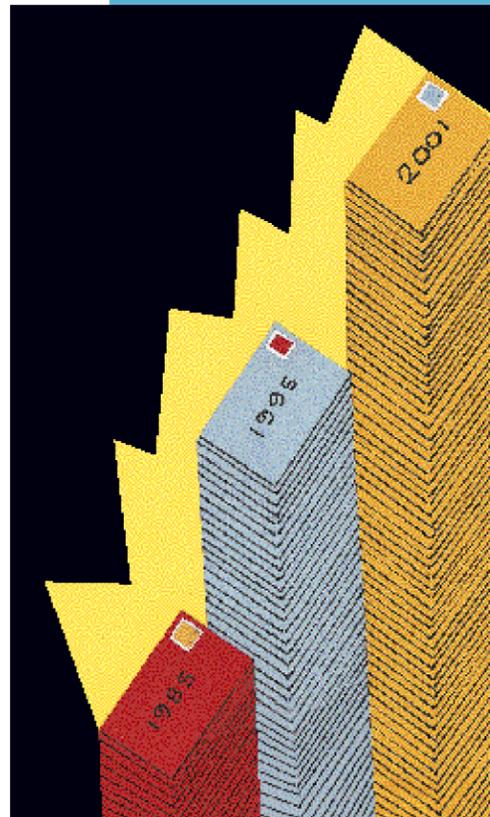
\$421.3 billion in 1997. And over the next five years, sales driven by Direct Mail are projected to increase by **\$8.3 billion** per year.

7 Believe it or not, over **50%** of recipients of Direct Mail read it immediately and of those, over **40%** found the information they received useful.

8 Direct Mail continues its astounding growth as a profitable advertising medium. In 1995, American businesses spent over **\$32.9 billion** on Direct Mail advertising, an expenditure expected to reach **\$46.9 billion** by 2001 (a sustained annual growth rate of **6%**).

9 Direct Mail works. Perhaps that’s why, in 1996, **56.7%** of the adult U.S. population placed an order by mail for a product or service.

10 Direct Mail, working in conjunction with your existing advertising, can make a powerful difference. In fact, a print advertisement with a bind-in Direct Mail reply card will outpull the same ad without a bind-in by up to **600%**.



Why mail? *What's* in it for you?

The question really is: "What's NOT in it for you?" Because, in today's increasingly competitive environment, Direct Mail is the best way to reach your audience and speak to them, one-to-one.

This book was designed to take you, step-by-step, through the process of Direct Mail, from creative conception to mailing to final analysis of results. Along the way, you'll gain a thorough understanding of the process and see why Direct Mail is such a crucial component in any successful advertising mix.

If you already have a Direct Mail program in place, this book will help you discover some new approaches that you may not have considered. But we'll get to that later. For now, let's just get you started in the right direction to develop your own successful Direct Mail program (or fine-tune the one that you already have).

Only Direct Mail gives you:

Flexibility:

You can mail anyone your message at any time, using any format. You can send postcards, letters, color brochures, free samples, co-op mailing, even a bowling ball! The choice is up to you and your budget.

Targetability:

Choose precisely the audience you want to reach and speak to them, and only to them, one-to-one.

Measurability:

There's no guesswork. By tracking and analyzing your mailings, you'll know how you're doing.

Accountability:

When you see how well mail works, it becomes its own justification, a "self-funding" medium, if you will.

Privacy:

Not only can you reach your customers without your competition's knowledge, but you can also allow your customers to see your message, without distraction.

—DIRECT MAIL BY THE NUMBERS

Advantages of Direct Mail

As you know, consumers today are more sophisticated. And they're bombarded constantly with advertising messages from everywhere. Television. Newspapers. Magazines. Radio. Cable. Even the Internet. So how do you get their attention? And how do you reach your target effectively in such a demanding marketplace without spending your entire advertising budget? Especially if it isn't a huge one?

It's simple. Use Direct Mail.

Direct Mail is the only form of advertising that lets you precisely pinpoint your target audience and gives you measurable results. Fast. You get clear-cut information that's easy to analyze. And, unlike advertising in mass media, you know precisely who you're speaking to. So "waste" is kept to a minimum. (For example, if you have a landscaping business, you won't be mailing to apartment dwellers.)

What's more, with Direct Mail, you know exactly how many pieces of mail you sent out, who got them, how much each piece cost to send, and how many responses came back. This information makes it easy to calculate cost-per-order or cost-per-response. You can even track how much repeat business and income a sequence of mailings has generated over a longer time period.

In short, Direct Mail has truly become a science. It's precise. Effective. And, dollar for dollar, you'd be hard-pressed to find a more cost-effective advertising medium. That's why using Direct Mail is a win-win situation.

Direct Mail
can drive sales,
build traffic,
awareness
and loyalty.



INTRODUCTION



from **ONE** person
to **ONE** person.

Never write to a
crowd; always
imagine
one person
reading your
mail piece.

—DIRECT MAIL BY THE NUMBERS

Customized to your *specific* needs

Another great feature of Direct Mail is its flexibility. Whether you're a large or small business, it can work for you in a variety of ways.

In fact, more and more successful businesses are discovering Direct Mail's versatility as an effective tool for generating awareness, leads, store traffic and even customer loyalty. No matter what you want to accomplish, chances are you can do it through the mail.

For example, let's say a competitor has announced a new deal/price/offer. You can immediately launch a Direct Mail counterattack that offers customers one that's even better. And since you have the opportunity to talk to consumers one-to-one, in the privacy of their own homes, chances are your competitors will never know what hit them.

Direct Mail is advertising that you share with your customers, not your competitors. By reaching them through their personal mailboxes and not through more

"public" environments like print, radio or television, you can take advantage of something very unique: speaking to your audience "in private."

In 1986, American businesses spent \$17.1 billion on Direct Mail. Ten years later, that figure more than doubled to \$34.5 billion. By 2002, Direct Mail is expected to grow to \$51 billion—a sustained annual growth rate of 6.4%. In today's competitive world, there's no stronger testimonial to the power of Direct Mail.

Use
Direct Mail
to announce
special sales
events.



—DIRECT MAIL BY THE NUMBERS

Direct Mail

glossary of

basic terms

bangtail: that little piece of paper on the back of an envelope that gets removed via perforation and is another opportunity to get your advertising message seen. Commonly seen on credit card envelopes that are included with your monthly invoice.

BCS (barcode sorter): a mail-processing machine that reads barcodes on mail and automatically sorts the pieces.

BRC: Business Reply Card.

BRE: Business Reply Envelope.

BRM (Business Reply Mail): a service that enables mailers to receive First-Class® Mail back from customers by paying postage only on the mail actually returned to them by their customers.

break-even point: the minimum number of sales a Direct Mail campaign must generate in order for the direct marketer to recover associated costs of the campaign.

buckslip: a single sheet of paper inserted in a Direct Mail piece that's usually used to deliver another offer within the package.

control: the mail package format/creative that's done the best for you; the one that's yielded the greatest response.

cleaned list: one that is free of duplication and unwanted names/addresses.

database: can be as simple as a card file; a collection of information stored in a computer medium that can be easily accessed and manipulated.

demographics: those characteristics that define a particular group of people, including HHI, age, education level, family size, etc.

font: the collection of all letters, numbers, punctuation marks, etc. within a certain size and style.

fulfillment house: a company specializing in responding to and tracking orders sold through Direct Mail.

HHI: household income.

indicia: a preprinted marking on each piece of a Standard Mail A™ (formerly known as "Bulk" or "Third Class") that shows payment of postage by the sender.

insert: any item, such as a brochure or pamphlet, that is placed in a Direct Mail package.

Direct Mail's flexibility lets you:

- Eliminate a "slow season" by sending out "off-season sale" postcards
- Take advantage of the "telegraphic" quality of postcards to remind customers of upcoming sales or deadlines
- Quickly evaluate your customer base, both demographically and psychographically
- Adjust your message specifically to the customer you're targeting
- Stay in touch with customers by having them update/correct their names, addresses and phone information

Johnson Box: the top part of the letter, set above the body of the letter, that states the main message of the offer in a compelling way; the letter's "headline."

layout: the arrangement of text blocks, headlines and graphics on a page.

lettershop: a company that personalizes, labels, sorts and stuffs envelopes in preparation for Standard Mail A™

lift note: a folded sheet that is a "last chance" to deliver an advertising message. Usually written by a person other than the main writer of the letter. Good place for a testimonial.

list broker: an individual or company that brings together owners of lists and the Direct Mailers who use them.

list compiler: an individual or company that specializes in gathering names, addresses and information from a variety of sources to produce a customized list of prospective customers.

live stamp/live postage: a "normal" stamp which a consumer would use, as opposed to metered mailings.

mechanical: a term for a camera-ready paste-up of artwork. It includes type, photos, line art, etc., all on one piece of artboard.

merge: the process of combining two or more lists into a single one using the same sequential order, then sorting them together, usually by ZIP Code.®

merge/purge: the technique used to combine names, addresses and related data from various mailing lists to identify and eliminate duplicate names for a single mailing or to create a marketing database.

OCR (optical character reader): a computerized mail processing machine that scans addresses on mail and applies the proper barcode.

overs (or overruns): the portion of a print run that exceeds the quantity specified in the purchase order.

perf: perforation.

precancelled stamps: stamps cancelled by printing across the face before they are sold to mailers.

premium: a free gift sent to a potential customer either with the mail piece (front-end) or after the prospect has responded (back-end).

prepress proofs (also known as "off-press proofs"): these are made by photomechanical or digital means in less time and at lower cost than press proofs.

psychographics: these are characteristics, habits, attitudes, lifestyle and behavior patterns that can help you identify your audience, or eliminate names of those who aren't.

purge: the process of eliminating duplicates and/or unwanted names from one or more lists.

return-on-investment (ROI): anticipated profits above costs incurred.

saddle stitching: stapling a publication from the back to the center.

service bureau: a company specializing in such computer services as mail list management and merge/purge operations.

shelf life: the length of time before an item (such as a catalog) becomes obsolete.

sorting: in Direct Mail, the arrangement of pieces in a bulk mailing by ZIP Code® to facilitate processing and more reliable delivery.

Standard Mail A™: formerly known as "Third Class" or "Bulk" mail.

OE: outer envelope. The envelope that your package will be delivered in. Usually, a "teaser" line is on the front to entice the recipient to open your letter.

RFM

(recency/frequency/monetary): a key formula used with most databases. It lets direct marketers know the recency and frequency of purchasing, and the amount of money spent by the people in their database.

suppress: using information on one or more lists to remove duplication of specific names before a mailing, or to eliminate those undesirable names.

tracking: the maintenance of records concerning various aspects of mailings, e.g., response rate, date mailed, location of respondents, etc.

typesetter: an individual or company that generates high-resolution text and graphics. The typesetter can produce the high-quality output needed to produce professional-looking printed matter.

unders: the number of pieces by which a printing run is short of the quantity specified in the purchase order.

web press: a press that prints on rolls (or webs) of paper instead of single sheets.

white space: areas on a page that have no printing on them.

window envelopes: envelopes having an opening through which an address printed on an insert is visible.



Direct Mail is the **3rd**-highest allocation in media budgets after magazines and newspapers.

In fact, it has grown **18%** since 1986.