

Increase Response To Your Direct Mail Program

Direct mail works for printers. That's a proven *fact* in the marketplace. But direct mail hasn't worked all that well for many of the printers who have incorporated it into their overall marketing plans. What is the difference between a successful direct mail program and the ones that haven't worked nearly so well?

The answer to that question starts with an understanding of what direct mail—or any form of advertising—can do, and what it can't do. Direct mail can generate orders. It can generate sales leads. It can project an image, or provide information. Direct mail can't, however, do all of those things at one time. And it can't really help you unless you first understand what you *need* from a direct mailing program.

Four Categories

Please consider this statement. Every printing/graphic arts company in the world will fall into one of only four categories in terms of sales volume and profitability, and those are the factors that will determine what an individual company needs from a direct mail program. The four categories are: High Volume/High Profit, High Volume/Low Profit, Low Volume/High Profit, and Low Volume/Low Profit.

How do we define high and low? Not by numbers, but by attitude! It's as simple as this: if you want—or need—your sales volume to grow, you must think of your company as being a low volume company. If you want—or need—profits to increase, you must think of your company as a low profit company. If you're completely satisfied with sales volume and/or profit, then it's OK to think of your company as a high volume and/or profit company for these purposes.

Now, remembering that a direct mail program can help a printing/graphic arts company to generate orders, generate sales leads, or simply project image or information, what does a low volume/low profit company need from a direct mail program? The answer should be obvious...this company needs orders! And if that's the need, do you see how wasteful it would be for this company to be sending out a newsletter or some other form of purely image-oriented direct mail? It won't help to "keep your name in front of" customers and prospects if they haven't really been supporting you all along!

Order Generators

If you need orders, your direct mail should be designed around an incentive to place those orders. That could be "discounted" pricing—although truthfully, that's the last thing a low profit company needs. A much better idea would be some form of personal incentive that carries a lower cost, but a higher perceived value.

Consider this: with most of your customers, isn't it true that the beneficiary of a discount would be the company rather than the individual who places the orders? And isn't it also true that even with a discount, your prices may not be lower than those of your competitors? Finally, isn't it also true that buyers don't always "take advantage" of the lowest price, especially when there's something else that they feel is valuable in the purchasing equation?

You stand to get better response to any direct mail program when you offer an incentive which is meaningful to the individual making the buying decision. That might be anything from a "really cool XYZ Printing T-shirt" with your next order to a chance to win a vacation for two at some world class vacation destination. One printer in the upper Midwest—a small shop doing less than \$500,000 in annual volume—stimulated more than \$35,000 in incremental business last spring and early summer with a three month long "travel sweepstakes" direct mail program. The grand prize was a summer weekend at a resort hotel in the northern part of the state, and there were five lesser prizes consisting of gift certificates to local restaurants. The total cost of the incentives was less than \$2000, and the cost of the three monthly mailings that were part of this program was also less than \$2000.

The arithmetic here is very simple: less than \$4000 in marketing investment turned into more than \$35,000 in incremental business. The psychology is pretty simple too. If you give people an incentive to do what you want them to do, you increase the likelihood that they'll do it. And the more attractive the incentive, the greater the response you can expect.

Other Situations

What about the low volume/high profit printer? What does this company *need* from a direct mail program? Obviously, more orders wouldn't hurt, but consider the additional value this company would gain by developing a few solid new *customer relationships*, as opposed to simply generating orders. The real challenge for a low volume/high profit company is to grow into a high volume/high profit company, and not to sacrifice profit margins in pursuit of growth. (Remember, by our definition this is a company that *wants* to grow, otherwise its owners would think of themselves as high volume/high profit already.)

A low volume/high profit company would be best served by a lead generating direct mail program, and the essence of a program like this is to stimulate invitations for the company's salespeople to call and start the process of building relationships by learning more about prospects' needs. An additional key to success in a program like this is to be selective; to actually choose which prospects to pursue. The best way to grow while maintaining profitability is to grow on the strength of good—"profitable"—customers!

How about the high volume/low profit printer? This is another situation where a lead generating direct mail program would be appropriate. Experience has shown that many printers in this category are efficient enough and productive enough to be profitable. The reason many aren't profitable is that they cater to the "low end" of the market...the price-buyers! All it may take to move into the high volume/high profit category may be to replace some of those "bad" customers with better ones!

Lead Generators

A lead generating direct mailer should be designed around a response device of some sort, and that could be anything from a BRC (Business Reply Card) to a special phone number (which would allow you to track response more easily.) Many service industry experts favor the BRC approach, because it requires the prospect to take more initiative than a simple phone call, and that serves to "qualify" the prospect to a greater degree.

A typical BRC would require the prospect to fill in all of his/her contact information...name(s), address, phone and fax numbers, and perhaps even e-mail address. Many direct mailers build in a "checklist" device, listing their products and services and asking prospects to identify their areas of need/interest as a means to further qualify prospects. Some printers even include check boxes to qualify the prospect's monthly or annual printing expenditures.

Now, why would a prospect take the time to fill out your BRC and invite your salesperson to call? One reason might be that he/she is dissatisfied with the "printer-in-place" and your direct mailer arrived at just the right time. That would represent an "internal" incentive on the part of the prospect. If you want to increase response, though, and stimulate more invitations, remember the psychology we discussed earlier. A printer in the Southeast has had great success using a "really cool XYZ Printing T-shirt" as an incentive for people to respond to his lead-generating mailers. He's been so successful, in fact, that he's had to limit the size of his mailings in order to keep response down to a level he can follow up on within a reasonable time.

High Volume/High Profit

How about the high volume/high profit printer? What does this company need from a direct mail program? Of the four categories, this is the only one that would be well served by an image-oriented direct mail program.

Interestingly, many of the printers in this category use direct mail to do much more than simply "keeping their names in front of" customers and prospects. They send out order-generating mailers which fulfill that purpose, as well as providing an incentive to get orders that they weren't going to get otherwise. They also send out a regular flow of lead-generating mailers to provide "invitations" for their salesforce. This may be another case of "the rich getting richer"—or else it may describe how they got rich in the first place!

Direct mail does work for printers. If it hasn't been working for you, give some thought to what you need from a direct mail program, and design your program accordingly. Then provide an appropriate incentive for your customers and prospects to respond. That's the most direct path to success in direct mail.