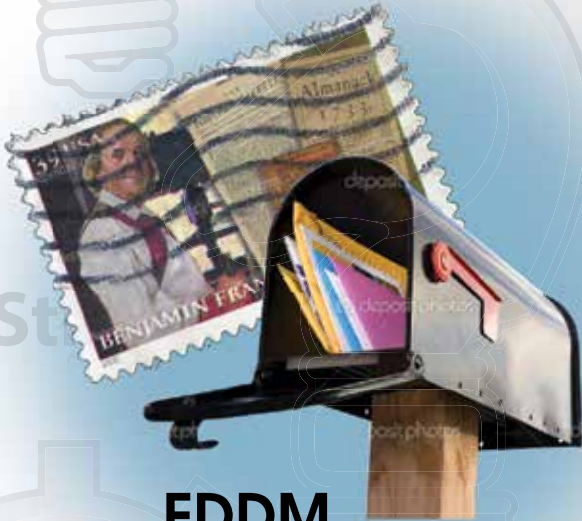




November 2013
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EDDM

Every Door Direct Mail

Production

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Direct Mail: Your Extra Salesperson

Here is an easy way to add an extra salesperson to your marketing staff: develop an ongoing direct mail marketing campaign. While the goal of advertising is to create brand awareness and a connection to potential buyers, direct mail marketing aims to motivate a prospect to take action and complete a transaction. A carefully planned and executed direct mail campaign can do just that.

Today more companies are turning to direct mail. According to research conducted by IBISWorld and published in its October 2012 report Direct Mail Advertising in the U.S., direct mail is expected to grow 1.4% annually in the next five years. This is in contrast to the 1.2% contraction direct mail has averaged since 2008. Part of this is due to incentives provided by the United States Postal Service (USPS), such as direct mail that includes QR codes and Every Door Direct Mail.

In its 2011 Channel Preference Study, Epsilon Targeting found that direct mail is the top choice of consumers for receiving brand communications, even among 18-34 year olds. Other interesting findings include:

- 26% of U.S. consumers and 30% of Canadians said direct mail is more trustworthy than email;
- 50% of U.S. consumers and 48% of Canadians said they pay more attention to postal mail than email;
- 30% of U.S. consumers said they're receiving more mail that interests them compared to a year ago, and just 50% (down from 63% in 2010) said

more information is sent to them in the mail – indicating marketers are improving targeting efforts;

- The perception that reading email is faster declined among U.S. email account holders to 45% in 2011 (from 47% in 2010), suggesting clogged inboxes are draining time.

Elements of a direct mail marketing campaign

The basic elements of a direct mail marketing campaign are simple: a mail list; a mail piece; and a schedule. Each element influences the response rate (and therefore the effectiveness) of the campaign.

50% of U.S. consumers and 48% of Canadians said they pay more attention to postal mail than email;

Mail list

Of all the elements, the most influential is the mail list. It has been estimated that the mail list accounts for 60% of the overall response rate. Design a beautiful mail piece and include an irresistible offer but mail to the wrong audience and the response rate will be disappointing.

Today target audiences expect a direct mail piece to be relevant to their needs or interests. Personalization – such as including information about the prospect on the mail piece, tailoring the presentation of information, or including an appropriate message – are ways

to demonstrate relevancy. Highly targeted personalization requires additional information (such as buying patterns and demographic profiling) that turns a mailing list into a database.

Any mail list – whether containing only name and address or enriched with transaction and demographic data – must be 100% accurate to be effective. This means spelling names correctly, keeping addresses current, and ensuring that demographics like age and gender are accurate. We can help you by giving you address corrections we receive from the USPS prior to mailing, but you will have to take the time to update your mailing list.

Mail piece: format, content and design

There is much debate about what format for a direct mail piece is best. If the job of the mail piece is to engage the reader, then information from the Direct Marketing Association indicates that format isn't as critical as you might think. In the Statistical Fact Book for 2006, the read rates for postcards, catalogs, flyers, letters and large envelope letters ranged from 42% for post cards to 34% for letters. So the best advice is to choose a format that is most appropriate for your message. Here are a few suggestions:

- **Post card/self-mailer.** Good for a message that doesn't require a lot of explanation. Use to build traffic (to a website or a physical location) or complete a transaction (place an order).
- **Catalog.** Use when selling lots of products or when photographs are needed to make the purchase decision.
- **Flyer.** Good for a general message or announcement, especially when the target audience is prospects rather than customers.

- **Direct mail package.** A large envelope with multiple inserts – letter, brochure, order form, response device, etc. Used more for customers or hot leads than for general prospecting.
- **Letter.** Use when you want to give a personal feeling to the mailing. Because two-page letters elicit a higher response than a single page, either write a longer letter or include something else – a brochure, an article or a product sheet – to serve as the second page.
- **Dimensional.** Contains a gift. Used when the target audience is executive level and the gift is substantial. May also be lumpy mail when the gift is less substantial (like a pen or note pad).

The content of the mail piece must always include an offer and a call to action. A good offer is relevant to the target audience; promotes only one thing; is time-sensitive (to create a sense of urgency) and is easy to understand. If the purpose of the direct mail campaign is to secure an order, the offer can be product-related (such as buy one, get one free; free trial; premium with purchase; free sample; or price discount). If you are trying to secure leads, then the offer should provide a motivating incentive (educational or information white paper, free consultation, research results).

When the target audience is consumers, include a coupon. Across all age groups, 70% of buyers respond to a message that includes a coupon.

You may be surprised to learn that the design of a mail piece accounts for only 20% of the response rate. What this means is that unless your target audience requires it, you can keep the design simple. The rule of thumb is

that the recipient will invest from 3 to 7 seconds to decide whether to open and read; keep to read later or pass on to someone else; or discard. Use this time to best advantage by following these tips:


- Use a large, short headline as teaser copy on the front of the envelope or post card.
- Stress benefits, not features in the body copy.
- Make the call to action simple and easy to find.
- Include contact information prominently but not dominantly.
- Keep your logo and name visible but not competing with key elements of the mail piece (headline, offer, call to action).

Schedule

Direct mail is most effective when mailed repeatedly and regularly. For planning purposes, figure a typical response rate of 1-2% (though this number can change based on many factors). The response rate is cumulative, based on a minimum of three mailings. If your budget allows for a mailing of 6000, the response rate will be higher if you mail three times to 2000 rather than one time to 6000.

Space the mailings between 4 and 6 weeks apart and coordinate the dates with a supporting e-mail and/or telemarketing campaign. Using more than one marketing channel will improve response rate.

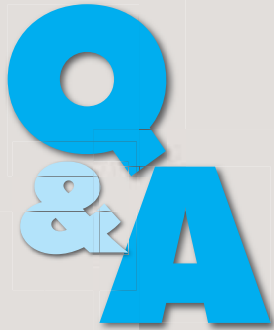
Direct mail is effective

Direct mail is a proven and viable method to communicate with customers and prospects. For help planning and executing a direct mail marketing campaign, contact us at Precision Printing. We'll guide you through the process to bring you success. 

TRICKS & TIPS

Creating a direct mail marketing campaign that also includes using e-mail outreach is becoming increasingly popular. Adding a QR code to a mail piece makes it interactive and takes the recipient to a web page for more information, to enter a contest or take a survey, or retrieve a coupon. Some QR codes make a phone number pop up on a smart phone; by clicking, the recipient is connected with a contact center – effectively completing an inbound telemarketing response.

The shoe company DSW (Designer Shoe Warehouse) learned something interesting about its customer's use of QR codes: namely, that men like to use them but women often ignore them. DSW found that their male customers don't like tearing a coupon from a mailer and putting it in their wallet, but will click on a QR code that provides a coupon that can be downloaded to a smart phone. Women, who are more inclined to put something in their purses, were less likely to use a QR code-based coupon.



Question:
I am fairly proficient at Excel. Can I use it for my mail list?

Answer: Yes – provided you understand that even though

Excel displays the information in rows and columns, it is not creating the tables of a relational database and so has limitations when it comes to finding and sorting data (compared to a database program like Access).

Two things to be aware of if you use Excel for a mailing list. The first is that you can change the sort order of a single column while leaving all the other columns in their existing order, leading to a mismatch of the address elements in each row. The second is that when you “hide” rows or columns to change how the mail list displays, you are not eliminating the hidden data. It is still there, and so will be included in a file you provide to us for mailing.

Vocabulary of the Graphic Arts



Call to action (CTA): the portion of a direct marketing message that encourages the target audience to take advantage of an offer.

Demographics: the characteristics of a population, either individual or business. Commonly used demographics include gender, ethnicity, age, income, education, home ownership. Also called demographic data.

Direct mail marketing: a form of direct marketing in which marketing materials are sent directly to the residence or business of target customers.

EDDM: an acronym for Every Door Direct Mail, a direct mail advertising program for businesses from the United States Postal Service.

House list: an internally-developed mail list consisting of the customers, members or donors of a business or organization. A house list can also contain contact information for prospects who match the demographic profile of customers.

List hygiene: activities to maintain the currency and accuracy of a mail list or database. Includes correcting for improperly formatted addresses and removing or updating addresses that are no longer valid.

Offer: a discount, special, product promotion or other incentive used to generate responses in a direct marketing campaign.

One-to-one marketing: a marketing process in which a business differentiates among its customers by demographics or buying history, then customizes communications for each individual. Don Peppers and Martha Rogers, Ph.D., are often credited with making the concept popular through their series of “One To One” marketing books.

Personalization: adjusting direct marketing content to match the preferences or personal details of the recipient. Requires availability and access to individual customer data.

QR code: a two-dimensional barcode that, when scanned by a smart phone, goes to a location on the worldwide web. Often used to provide customers with extra information and offers.

Response rate: in direct mail marketing, the number of recipients who take advantage of an offer as a percentage of everyone who received the mailing.

Saturation mailing: a mailing to at least 90% of the addresses in a carrier route.

Simplified address format: an alternate addressing format that uses Postal Customer or other optional formats when general distribution is intended for each delivery unit on a carrier route.



The Idea Corner

EDDM - Every Door Direct Mail

To help businesses with direct mail marketing, the USPS has created a direct mail program called Every Door Direct Mail (EDDM) that reaches every home in a neighborhood without needing an address. Using EDDM, you select a postal service delivery route (one or more) and your mail piece will be delivered to every active address on it.

In mailing parlance, an EDDM mailing is a saturation mailing using the simplified address format. A mailing with these characteristics is very efficient for the USPS to process because it bypasses postage cancellation, address correction, and mail sorting steps and goes straight to the individual letter carrier

EDDM mailings can be very economical compared to traditional direct mail:

- **No mail list is required.** This saves the cost of acquiring a mail list, the cost of addressing the mail piece, and the cost of maintaining the mail list.

- **Small mailings can be quickly produced.** Most city carrier routes are 400-600 addresses. By eliminating the time to gather a mail list and address the mail piece, and by using digital equipment for printing the mail piece, a small mailing can be in the hands of prospective customers in just a few days.
- **No postage permit is required.** Regular presorted mailings require use of a permit to mail at discounted postage rates. For EDDM, the USPS waives this requirement.
- **The mailing panel can be very small.** Because the mail piece does not go through normal mail processing, there are no requirements for the location and size of the mail panel (the area containing the return address, indicia and outbound address). Note, however, that there are requirements for the wording of the indicia and the simplified address.
- **The postage rate is one of the lowest available.**

For businesses that regularly mail newsletters or post cards to their customers using standard addressed direct mail, EDDM may be a way to prospect for new customers who are the neighbors of existing customers. With all these possibilities, EDDM is a great marketing tool for many businesses. For more information and to discuss how EDDM might benefit your business, contact us at <here insert your contact information>.

Thanksgiving - November 28, 29
Christmas - December 25, 26 27, 30, 31
New Years - January 1, 2014



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