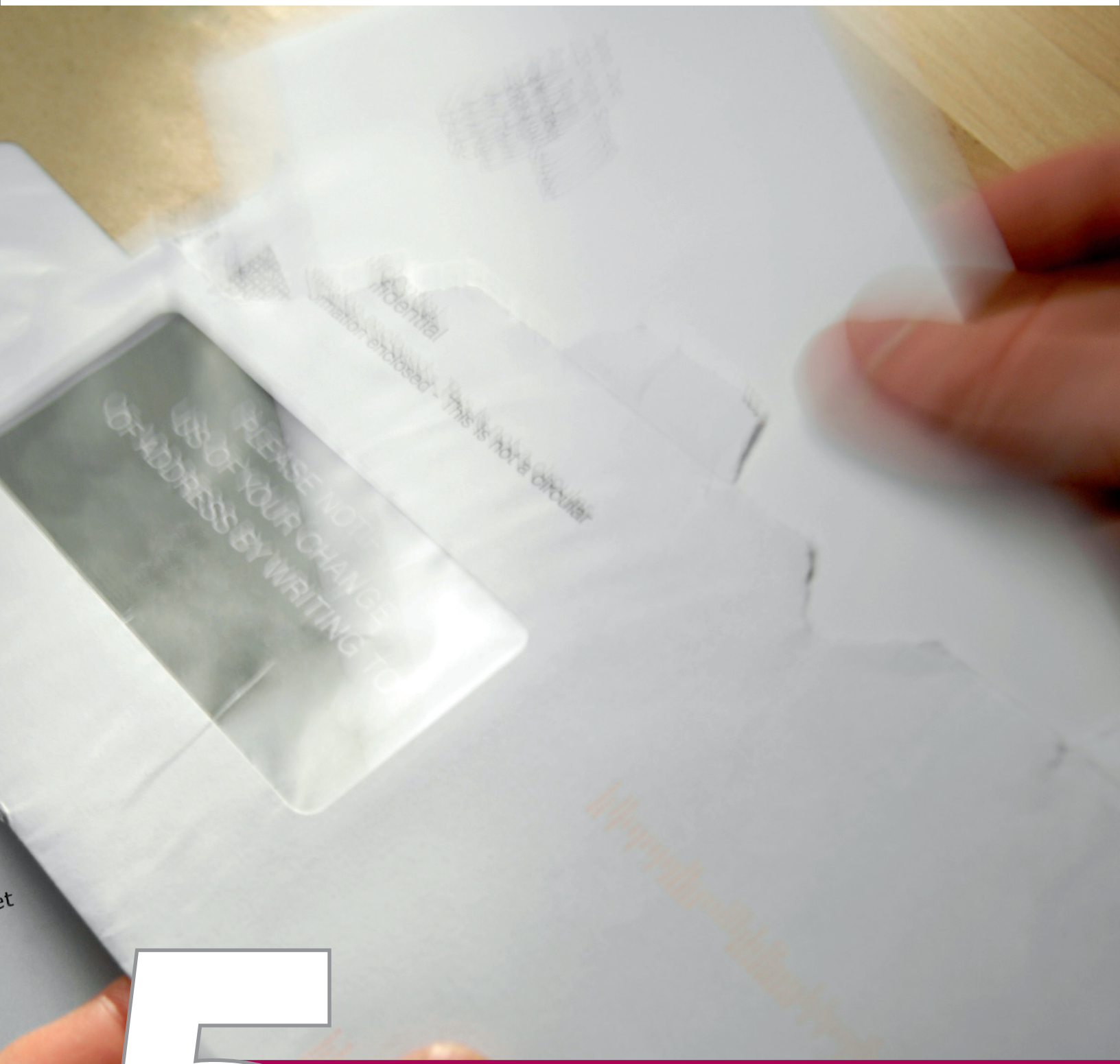

# 5 Ways to Double the Response to Your Next Direct Mail Campaign

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You might think that in today's digital age, print direct mail would have become obsolete.

But you'd be wrong: traditional direct mail is actually undergoing a resurgence that includes growing usage and greater response rates.

One reason for direct mail's comeback: With more and more companies abandoning traditional forms of mass communication, it is easier to stand out and reach your target, whether young or old, with tangible print promotions like direct mail.

Another reason for the rebirth of direct mail: the prominence of digital over print has caused a decline in direct mail usage, so there is less competition in the mailbox. From 2008 to 2012, the average number of direct mail packages received in U.S. households per week declined almost 36%.[1]

According to the Direct Marketing Association, the average return for direct mail is over $12 in revenue for every $1 invested, based on lifetime customer value, not initial orders. That is a 1,200% ROI.

In this brief monograph, we share with you 5 proven ways to substantially increase the response rates to your direct mail campaigns:

1. Market Sustainability, Chet Dalzell, 9/14/14; Direct Mail: It Works, Modern Postcard White Paper.

# 1 Know what makes a difference in response.

Too many marketers doing direct mail agonize over things that are inconsequential as far as increasing response rate is concerned – for instance, the choice of fonts for the headline or the color of the paper stock.

The two most important factors affecting response rates are the offer (see point #2 below) and mailing lists (see point #3 below). An "offer" is what the prospect gets when she responds to your mailing combined with what she has to do to get it—for instance, go to a personalized URL online and download a free white paper.

We have seen tests in which changing the offer or using a different list have increased response to a DM promotion tenfold. You do not get this kind of lift in response by changing the image on the brochure cover from say a boat to a fish.

After offer and list, the biggest factor affecting response is format. Some of the most popular formats for direct mail include #10 letter packages, jumbo (9"x12") envelopes, invitation style mailers, trifold self-mailers, catalogs, digests, magalogs, postcards, double postcards, and lumpy envelopes (mailings with objects inside them).

For a major conference, an association tested two mailing formats. The first was an oversized, full-color self-mailer, which everyone was convinced would win. The second was an invitation style direct mail package with a Monarch outer envelope, a letter on elegant cream stock, a mini-brochure, a response element, and a business reply element.

The result? The letter package outpulled the 4-color self-mailer by a whopping 8 to 1 in registrations. Had format not been tested, the association would have had to settle for one-eighth the attendee sign-ups.

After format, the factor that affects response the most is the copy and right behind that the design. Don't underestimate the power of copy, a change in which can often double response.

# 2 Offer a free incentive or "bribe"

Two of the most powerful offers are discounts and free gifts.

A major roadside service that recruits new members primarily through direct mail regularly tests a slew of offers. These include a discount on the annual membership fee, extra free months (e.g., 15 months for the price of 12), travel and shopping discounts, a free $50 dining card, and free battery jump-starts.

A car rental agency in Florida tested an "advance purchase program (APP)" where, in exchange for pre-purchase of multiple weeks of car rental, the consumer received a deep discount on the rental price. The APP generated 10 times the revenues of their regular rental offer.

Suggestion: test different free incentives. These could be free content offers on varying topics or in different media; an example is this free tip sheet on increasing direct mail results. Other content offers include free special reports, booklets, books, audio CDs, white papers, webinars, and DVDs.

And you can test free content vs. merchandise. One promoter of seminars on real estate investing had success offering a free tablet device to the first 50 registrants.

Tip: when making discount offers state BOTH the percentage savings as well as the dollar savings. Also state the price in a way that makes it seem very low. For instance, if you offer an annual service contract for $49, tell the readers they are getting coverage for about 13 cents a day.

# 3 Finding the right mailing list

The most responsive list will almost always be your current customers, followed closely by your inactive customers, also known in the trade as your “expires.”

Next comes outside lists, which you should always rent from a mailing list broker (some call themselves data companies today) rather than the list owner.

Why? The list owner has a proprietary interest in having you rent their list and no incentive to tell you about other lists. The list broker knows about multiple lists that reach your market. He can often tell you, based on the results attained by his clients mailing to those lists, which list is likely to pull the most response for your offer.

Most lists offer “selections” meaning you can rent segments of the list based on various data points. On a business list, for instance, if your target market is small businesses, you can select companies with sales of $1 million to $10 million. There is a small charge for selects, but they are almost always worth it.

# 4 Always be testing

Whenever you mail, split the mailing into at least two segments and test at least one variable. That could be offer, list, format, package elements, copy, design, or price. An “A/B” split is when you test two different versions of the mailer. If you test just one factor (e.g. size of envelope) and leave everything else the same, the results tell you what works best; e.g. best size envelope for maximum results.

For instance, the publisher of a directory mailed in large quantities to customers who had bought the directory at one time but no longer owned a current version.

They segmented and tested their expire list by date of last purchase and made an amazing discovery: by far the most responsive segment of the expire list was customers who purchased their last directory 3 years ago.

A major computer company used sales letters to generate leads for various hardware and software products, and frequently held teleseminars during the year on technical issues related to the usage of these systems.

They decided to do an A/B split where the only different was that the B version offered a free audio CD of the teleseminar. The B version with the free offer generated 6 times the response as the A version without it.

# 5 Think outside the box

Some marketing people stay away from direct mail because they think it's formulaic and dull. But there is an opportunity with direct mail we don't get with digital marketing: to add physical objects and appeal to the senses of smell and touch, not just sight and sound.

Example: a construction firm had a small list of prospects they intended to call. But to warm up the list, they sent an envelope with a brick inside it; the salesperson's business card was silk screened on the brick.

Then, when the salespeople called and the gatekeeper asked, "Who are you?", the salesperson replied, "I'm the guy who sent him the brick" – and they always were put through to the prospect.

The directory publisher mentioned earlier added a stick and peel warning label to their mailings, with the instructions to the customer to affix the label to their old directory as a warning that the data it contained was out of date. Result: sales tripled.

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