

MAILING LISTS: ZEROING IN ON TARGETS



DEFINING YOUR TARGETS & MARKETS — WHO SHOULD I TARGET?

The most dynamic mailing, created by a world-famous artist, winds up in a recycling pile if it's sent to the wrong people. Determining your primary targets is the basis for all successful mailings.

WHO SHOULD YOU TARGET?

The first step is to decide exactly who you want the mailing to reach. There are three groups a postcard marketing program can zero in on and each needs a message geared specifically toward it.

NOTE — This means a successful, full-scale project may require three different postcard designs, messages and follow-up features.

THE THREE GROUPS CRITICAL TO A SUCCESSFUL DIRECT MAIL PROGRAM ARE:

1. AN EXISTING CUSTOMER DATABASE — Existing customers are the best and most likely source of additional business. Since they have already done business with an organization and have a positive reaction to that experience, they will be receptive to new ideas, offers and promotions. They worked with the company and are likely to do it again.

A clear and repeated line of communication should be maintained with these key buyers. In the day of electronic snippets, a colorful postcard gets attention and makes a positive impression. It may remind customers of a coming event, offer a discount or sale price or direct them to savings opportunities via a website or mobile app.



MAILING LISTS: ZEROING IN ON TARGETS



2. AN EXISTING PROSPECT DATABASE — There are people who have explored the possibility of doing business with your company but, for whatever reason, didn't close the deal. They raised their hand to say they have an interest in what you do, so they are still potential customers. They may be highly susceptible to special offers, sales and discounts.

Whenever dealing with potential customers, collecting basic contact information – name, mailing address, email address, etc. – should be routine. From these building blocks your prospect list is built.

3. A CUSTOM TARGET LIST — This may be the most difficult list to compile and the most valuable for finding new business. The custom list of targets includes potential customers that fit a profile of those who use or benefit from a company's products or services. These are probably prospects that have never contacted your company. Why not? They may not know the company exists. A series of postcards with very specific offers – free trials, discounts, etc. – can remedy that.

**** TIP FROM A PRO** — Always print **FREE** in all caps, it's the real **GRABBER!** Follow it with details of the benefits your products and services provide. ******

THE MAILING LIST MAKES ALL THE DIFFERENCE

SUCCESS BEGINS WITH EXISTING CUSTOMERS — Existing customers are the most valuable resource a company has. Out-weighing inventory, sales talent and vendor contacts. Customers have provided the ultimate vote of confidence – their money! Proper cultivation of existing customers leads to profitable repeat business. An accepted truism of business, simply stated is: It cost far less to keep a customer than it does to go out and find a new one.

**** TIP FROM A PRO** — Don't think of your activities as closing a sale, work toward cementing a positive relationship.



MAILING LISTS:

ZEROING IN ON TARGETS



ONCE YOU'VE DEVELOPED THAT RELATIONSHIP, YOU CAN USE IT TO YOUR ADVANTAGE. HERE'S HOW:

- **COLLECT VITAL INFORMATION FROM EVERY CUSTOMER** – the more you know about your customers the more you can customize your messages to hit their “hot button.” Get to know people on a personal level not just based on sizes, shapes and requirements of their most recent purchase.
- **DON'T TREAT CUSTOMER LIKE PROSPECTS** – Don't fall into the trap of form letters or generic emails message. They make existing customers anonymous rather than valued assets. Use your communications resources to reflect the value you place on these contacts.
 - Differentiate your customer database by volume and timing of business – don't repeatedly send long-time customers offers for first-time buyers, etc.
- **SHARE INFORMATION** – make it clear to customers that you're a resource for more than “nuts and bolts.” Does your customer know you have a 24-hour, 7-day a week service hot line, do they know you pick up and deliver large items, do they know you have a new, convenient location...do they know everything you do to make their lives better?

**** TIP FROM A PRO —** Being great at what you do is not enough to keep all your hard-earned customers. In today's competitive world you need to constantly remind customers you are the best at what you do.

SELECTING APPROPRIATE TARGETS:

You know there are people out there who can benefit from your products and service. You have an idea of what they look like and maybe where they are. How do you connect? There are many sources of mailing lists that can be purchased, rented and accessed to supplement your own internal databases.



MAILING LISTS:

ZEROING IN ON TARGETS



Before you rent or buy a list, do your homework. Begin by researching your own sales history. Reviewing your invoices and shipping logs can provide an excellent image of who you're selling to – what neighborhoods they come from, what the top selling goods and services are, etc. When you know what's hot and where your products are going you're closer to defining where to find prospects and how to approach them.

If, for example, you specialize in new and replacement windows for homes, you can develop a specialized direct mail campaign targeting neighborhoods with older homes – homes that are likely in need of replacement windows. Or, a more up-scale neighborhood where a window up-grade would be appropriate. Better yet, a series of mailings that cover each of your potential markets with specials and timely offers. You can develop a mailing list created based on criteria outlining each special requirement – age of home, etc.

The easiest information to collect is the demographics of age, gender, home ownership, address and email. You can compare this information from existing customers to come up with a target age group, gender, etc. Find the greatest common denominator – are your customers between the ages of 35 and 45 buying most often and spending the most money? These are the kinds of people you're looking for in your new list.

WHERE DO I GET A GOOD LIST?

You can find dozens of companies ready to sell or rent you their mailing lists. Not all lists are created equal and careful evaluation is required to make sure you're getting your money's worth.

**** TIP FROM A PRO —** Avoid the “trial and error” approach to finding reliable mailing lists by working with an established, experienced direct mail provider. An industry veteran can save you valuable time and money sharing insights gained through hands-on experience.



MAILING LISTS: ZEROING IN ON TARGETS



Research your databases well. You want the most up-to-date information possible. Outdated information represents dollars lost. When negotiating for a new list, ask:

1. How often is this list updated? If it isn't monthly, consider another source.
2. Does the list provider guarantee deliverability? Only accept an answer of "yes."
3. This means your piece will reach the prospect. What percentage of deliverability do you guarantee? With a mobile society, nobody can guarantee 100%, but your supplier should guarantee at least 90%.
4. Can I use this same list over and over again? Don't agree to rent a list thinking you can use it repeatedly and find out you're expected to pay the fees each time you access it. Most good list providers charge for repeated uses because they are continually up-dating the lists.
5. Is this a specialty list of a general consumer list? More details help determine better targets.

BREAKING THE CODE — WHAT IS SICS AND SIC?

When you're looking to communicate on a business-to-business basis it's easier to isolate potential targets. Business are filed by SICS codes – Standard Industrial Classification System codes. Or just SIC for short.

An SIC code is normally a multiple digit number that's issued to various business types by the federal government to organize businesses so federal and state agencies can compile data. Once you break the code you can narrow your target. Here's a clue:

The first two digits identify a major industry group, the third digit identifies a sub-group and the last number identifies an exact industry. For example – 3672 = 36 for Electronic & Electronic Equipment; 7 for Electronic Components & Accessories; finally 2 for Printed Circuit Boards. (The SIC system has been expanded in recent years as targets become more specialized. Codes, once 4-digit numbers, may now be as large as a 10-digit figure for the latest in the high-tech world.)



MAILING LISTS:

ZEROING IN ON TARGETS



MANAGING LISTS

The more you use a mailing list the more undeliverables you'll recognize and be able to weed out. There could be return messages like "undeliverable as addressed," or "Forwarding Order Expired." Any return like this means there's no point in sending your message to this address again. Trim out all bad returns and replace them with new names. The NCOA (National Change of Address) service is available that will verify your mailing lists prior to mailing, looking for anything that might cause a piece to bounce back. Using a service like this has a cost, but you'll get a report on what has been done and a copy of your new, cleaned list. It's worth the extra expense to get your message to people who can respond.

HOW DO I MEASURE A GOOD RESPONSE?

The response rate is the most common measure of success for direct mail. It reflects the number of those responding – not necessarily the number of people impacted by the promotion and certainly not the number converted to buyers.

What's a good response? That is the ultimate question – with no right answer. A "good" response is industry-specific. Some markets and special offers lend themselves to volume response while some only attract serious interest. What impacts response:

- The Number One factor in generating response is the OFFER. A great, timely offer gets response.
- A sure bet to generate a higher rate of response is a giveaway – FREE always gets attention.

A good response is not measured simply in terms of numbers. Here are variables that contribute to the value of a return:

- The amount of the average sale traced to the direct mail
- The profitability of sales resulting from the mailing
- The number of new customers it attracts
- The amount of repeat business it brings in



MAILING LISTS: ZEROING IN ON TARGETS



The rate of response is not a true measure of success. Converting response to dollars is the key. If you're mailing is designed to just make contacts and generate leads, you want the most respondents you can get. But if you're looking to boost sales, a few buyers are always worth much more than a host of "lookers." Here are two examples that make the point:

CAMPAIGN 1 — A NEW CASUAL DINING RESTAURANT

Mailed 10,000 pieces • 5% of those patrons spent \$50 or more – 10 new customers

2% response – 200 new patrons • 1% increased business based on total mailing.

CAMPAIGN 2— A WINDOW REPLACEMENT COMPANY

Mailed 10,000 pieces • .5% response – 50 potential new business prospects

50% of leads converted to appointments for quotes – 25 potential customers

8 quotes turned into sales of 2+ replacement windows = fewer than .1% of total mailing converted to sales.

(Each window sold = at least \$500, minimum sale at least \$1,000 – 8 customers = at least \$8,000)

.....

The first campaign had a much better response rate, but was far less profitable than the second. Converting response to real business is the key.

**** TIP FROM A PRO —** Don't consider a mailing a failure with a small return. Evaluate your closing rate, the profitability of each sale, number of new customers and repeat business. Once the targets have been singled out and the timing is determined, the next step is creating a postcard – better yet, a series of postcards – that grab a prospect's attention, generate interest and make them want to respond.

**** TIP FROM A PRO —** If you didn't get the kind of response you'd hoped for, you can always make changes to your message, offer and targeted list – you can always make a good response better! Lack of immediate response isn't necessarily a "No", it may be a "Not Yes Yet."

