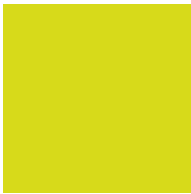


How to Improve Marketing Program Efficiency in Challenging Times

By Bob Milroy





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The current, tough business climate is no time to stop or curtail your marketing. It's long been proven that those who are the most active in down times are rewarded with greater market share. Now more than ever, it's essential to be a strategic marketer and make every dollar count.

Following are tips to improve marketing effectiveness while minimizing your costs.

Focus on Customers as the First Priority

It's much easier to sell someone the second time than it is the first. That's why strategic communications to customers are the first order of business, regardless of the economy. You need to keep them loyal, at a minimum. They usually represent your best opportunity for growth as well.

Review your customer database, and determine if subsets of customers are prospects for other products and services.

- Are your lawn service customers hiring you for snow plowing in winter?
- Are your wallpaper customers also buying paint?
- Are those who call on you to do their tax returns aware that you can also help with estate planning?
- Are machinery buyers coming to you for parts and consumables?

Cross-selling additional products and services to existing customers may be the easiest way to keep revenue up while the economy is down.

Special Incentives

Consider special customer incentives, not only for new products and services, but also to speed up purchases that may be delayed due to economic uncertainty. Consider discounts aligned with themes such as:

- Customer Appreciation Days
- Spring/Summer/Winter/Fall Restocking Period
- Year-End Specials
- Service Contract Renewal Special
- "Before the Increase" Time-limited Offer
- Buy Now/Pay Later Offers (best at end of fiscal year when budgets are short)
- We've Missed You and Want You Back (discount offered to dormant or inactive accounts)



Target Past Inquirers as the Second Priority

Research has found that the second most productive audience to address with your communications are people who were interested in your product or service but didn't take the final step toward purchase or donation, etc.

These could be people who registered on your Web site to download information or those who have called or responded by mail or fax to an information offer or to ask a question.

These prospects are golden, because they are so highly-qualified and were, at one point, motivated to seek you out. Leverage that interest with targeted communications by mail or email.

In your copy, recognize their prior interest, and consider developing "introductory" offers just for them. Research suggests this group is much more likely to take action than any other besides your customer base.

Define & Segment Prospects With Greater Precision

Use your customer data to help you zero in on prospects, too. Make sure you know the characteristics of your best customers, and then look to the vast selection of consumer or business databases to select your best prospects. While the make-up of past customers isn't the only way to define your best prospects, it's generally a tried and true way.

The trick is to isolate the extra qualifiers that hone in on the highest probability prospects.

Defining Business/Professional Markets

In the business world, key qualifiers can be company type, size and location. Individuals often qualify themselves in other ways, typically by showing an interest in or purchasing specific goods and services. Perhaps they have subscribed to online news feeds and trade publications, joined an association or registered for trade shows.

Did You Know...

- Automotive Industries' controlled circulation list is made up of 79,000 key decision-makers (including top executives, engineers and managers of plants) within the enormous multi-billion dollar automotive manufacturing industry?
- DecisionMaker Engineering Marketplace Database consists of 1.6 million names of design, chemical, industrial and plant engineers from more than 1 million U.S. and international locations?
- Gale's Medical & Health Information Directory includes 83,000 names of professionals in organizations, agencies, institutions, services and information resources in medicine and health-related fields?

These are just a few of the business-to-business databases that are available to help you identify and reach your target audience.



By “cloning” your customers when looking for prospects, you stand the best chance that your value propositions will be more personal and compelling. And, you will eliminate waste by only targeting high probability prospects instead of low probability suspects.

Become familiar with the differences between compiled lists and response lists, as well as those with specialty data available that let you zero in on the best prospects.

Defining Consumer Markets

In the consumer world, qualifiers can be age, income, home ownership, home value, home location, hobbies and special interests, club membership, etc. Listed below are samples of special selections/qualifiers available from leading consumer list compilers:

Healthy Choices/Dieting

- Weight Control
- Healthy/Low-Fat Cooking
- Health/Natural Food
- Improving Your Health
- Physical Fitness/Exercise
- Self-Improvement
- Walking for Health

Buying Behavior

- Shop by Catalog
- Shop by Internet

Collectibles

- Art/Antique Collecting
- Stamp/Coin Collecting

Contributions

- Community/Civic Activities
- Current Affairs/Politics
- Democratic Contributor
- Environmental Issues
- Our Nation’s Heritage
- Republican Contributor
- Veterans’ Charities
- Wildlife/Environmental Issues

Interests

- Care for Elderly
- Grandchildren
- Military Veteran in Household

Sports & Recreation

- Bicycling
- Boating/Sailing
- Fishing
- Flower Gardening
- Golf
- Horseback Riding
- Hunting/Shooting
- Motorcycling
- Mountain Biking
- NASCAR Enthusiast
- Participate in Team Sports
- Running/Jogging
- Skateboarding
- Snowboarding
- Snow Skiing
- Soccer
- Tennis
- Watching Sports on TV

Music Preferences

- Classical
- Contemporary Christian
- Country
- Easy Listening/Light Sounds
- Gospel
- Jazz
- R&B
- Rap
- Rock (hard & soft)



Current Long Distance Carrier

- AT&T
- MCI
- Sprint

Money & Technology

- Buy Pre-Recorded Videos/DVDs
- Electronics
- Home Furnishings/Decorating
- Home Study Courses
- Home Video Recording
- Home Workshop
- House Improvement Projects
- Moneymaking Opportunities
- Recreational Vehicle
- Own Vacation Home/Property
- Real Estate Investments
- Science/New Technology
- Stereo/Records/Tapes/CDs
- Stock/Bond Investments
- Surf the Internet

Pets

- Own a Cat
- Own a Dog

Hobbies & Other

- Astrology
- Automotive Work
- Avid Book Reading
- Bible/Devotional Reading
- Cable TV Viewing
- Casino/Gambling
- Contests/Sweepstakes
- Crafts
- Cultural/Arts Events
- Fashion Clothing
- House Plant Interest
- Photography
- Quilting
- Science Fiction
- Sewing/Needlework

Travel & Dining

- Airline Club/Frequent Flyer
- Casino Vacation
- Cruise Ship Vacations
- Dining/Home Cooking
- Family Vacation
- Foreign Travel
- Gourmet Cooking/Fine Foods
- Time Share Vacation
- Travel for Business
- Travel for Pleasure/Vacation
- Travel in Canada
- Travel in USA
- Wine



Make Every Communication a Direct Response Communication

A classic goal of marketing communications is to build awareness, and it always will be. (If they don't know you, they can't buy from you.) When times are tough, you need to set higher expectations for your marketing investments. You need action now. That's why it's good practice to follow direct marketing professionals.

Make every message you deliver call for a specific action and make a specific, valuable offer. Not only will this shorten the time it takes between communication and sale, you'll gather better intelligence about how well your investment is performing. And, you'll have the metrics to create even more effective and efficient campaigns later.

If you are selling direct, the best offer is typically your product or service. There's often no time or money to do anything but go for the order right out of the box. But if you are selling very expensive merchandise or you are in a business-to-business situation, your best offer will be information.

In many cases, the sale can be made without person-to-person contact. In others, a sale is unlikely until personal contact occurs. The role of mail in these cases is to identify the interested prospect, and create a situation for that personal contact to occur.

Consider Unleashing the Power of Direct Mail

As you do a better job of market definition and segmentation, chances are you'll find that most media options aren't targeted enough. For many, the top choice is direct mail because it can be so selective.

The power of mail is due to its high degree of personalization. For the moment, it is also viewed without any immediate "competition" for the reader's attention. This is why mail typically generates a much higher response than other media. Not only does it eliminate waste, it performs at a higher level.

Make Me an Offer

Here are a few starters for time-tested offers that generate response:

- Free information on products, services, as well as tips and how-to guides, selection guides and checklists, etc.
- Free catalog
- Free demonstration, important for things like business equipment
- Free survey of your needs called an "audit offer" and often used successfully by service companies
- Free cost estimate – good for professional services
- Special terms – bill me later, installment terms, low or no interest, etc.
- Rebate after purchase
- Free sample
- Free trial
- Guaranteed buy-back
- Special season sale – Christmas, Mother's Day, Fourth of July, etc.
- Trade-in offer

A couple of tips on creating the best offers:

- Make them specific.
- Limit them to a specific time period with an end date. This builds urgency and is more likely to generate action now.



After determining your offer, it's time to choose a format. Which is best? The options include:

- postcard
- self-mailer
- letter
- package with multiple elements
- dimensional enclosure

Unfortunately, there is no right answer to the format question. Some of the greatest successes in direct mail history have been multiple-page letters. Others have been simple postcards.

Let's look at what people are mailing now. Here's a breakdown of business mail:

16% – postcards

22% – other self-mailers

51% – envelopes

11% – “other,” including posters, card decks, booklets, publications and free samples

A **self-mailer** is any mailing that is completely self-contained and doesn't require an envelope or outer container. A postcard is a self-mailer. Catalogs and other types of publications (newsletters, magazines, etc.) are self-mailers as well. And, there are hundreds of other self-mailing formats to consider.

The primary advantage of the self-mailer is price. It is usually less expensive than an envelope/container mailing. In most cases, you take a single sheet, print it and fold it. Self-mailers are a good choice for simple messages. They are typically not as good for more involved messages, unless it's a catalog, extensive brochure or publication.

Self-mailers are also generally not used for very expensive products or services, such as luxury goods or financial and other professional services. One old saying in direct mail is to try to avoid making your advertising look like advertising; make it look like business correspondence. Self-mailers, quite simply, are always perceived as advertising and do not project an appropriate image for some companies and organizations.

Postcards are used frequently because they are the least expensive of all to produce and mail. They are a good choice for quick announcements (special sales, grand opening, etc.), teasers (coming soon, only 30 days until...), invitations or part of a multi-mailing program.

Whether you are inviting affluent consumers to a Lexus end-of-season sale or promoting pizza delivery to an entire local neighborhood, postcards can be very effective when the offer is straightforward and simple. One question that needs to be asked about a postcard, however, is whether its simplicity is consistent with the image you want to project.

Sometimes the design freedom with a tri-fold or duo-fold mailer allows for a more high-end look. In other cases, only an envelope-based mailing will impart the proper image.



Larger format self-mailers, whether simple or multi-paneled, provide greater creative and messaging flexibility. They are ideal for more complicated messages and/or multiple messages (an offer per panel, for example). They also provide more space for graphics, a critical element when pictures help tell the story and position the product.

They can even be made to emulate a letter-style mailing by imbedding a letter inside the folds of the mailer. And with variable data printing capabilities, the impact and personalization possible with self-mailers is almost endless today.

Envelope/container mailings, of course, are even more flexible since you can put multiple items into the envelope or container. They are also generally believed to be more effective than self-mailers. Many split-run tests over the years have shown that envelope mailings including a cover letter outperform self-mailers in the vast majority of cases.

That said, since they are more expensive from a printing and handling standpoint, it is important to make sure that any added costs are offset by a higher response. If not, the self-mailer is a better way to go. This is why testing is so important for any direct mailer.

For many years, the classic direct mail package has included a letter, a printed enclosure with product/service details and a response mechanism (business reply card, fax form). Today, the response piece is sometimes omitted, and readers are invited to visit a Web site or call an 800 number to take the requested action.

As a result, a new “classic” package is a letter and some sort of enclosure. The letter provides the power of personalization, while the enclosure “romances” the product or service being promoted.

Letter and reply form mailings also remain very popular, particularly with non-profit organizations. The personal nature of a letter is key for an instant connection with the reader. When raising funds, it is important to avoid flashy graphics or expensive production, as they are perceived as both excessive and a misuse of donations.

Summing Up Successful Direct Mail

The successful communication:

- Has a high degree of visual magnetism – It is well-ordered, offers information in a clear sequence to guide the reader, and is supported by relevant visuals and images.
- Selects the right audience – There should be something in the mailer that, at first glance, will enable readers to identify it as truly applying to them. This can be copy (e.g. Attention Golfers) or a visual. Ideally, it is the words and images that work together to encapsulate the selling proposition.
- Promises a reward – You must deliver something of value to keep them reading, no brag and boast, no advertising platitudes or generalizations. Rewards can be implicit or explicit but, above all, they should be specific.



- Backs up the promise – This is about providing hard evidence in the form of statistics, competitive comparisons and case histories or brief statements of endorsement by third parties.
- Presents the selling proposition in a logical sequence – The position of headlines, graphics, subheads and text should be arranged to lead the reader in a set sequence you control with your layout.
- Is easy to read.
- Emphasizes the service not the source – You need to convince them to buy before the source is even considered.
- Reflects the company's character – Make the mailer match the organizational image.

Good Practices for Minimizing Production Costs

Even after you've gone after the lowest hanging fruit, done a better job of targeting and developed clear cause-and-effect approaches, make sure you implement with efficiency in mind, too. Here are some guidelines for managing print costs without losing impact:

1. Design for standard paper sizes: 8 ½" x 11" or 11" x 17" are sheet sizes that can be printed most economically. Also ask for in-stock paper or whether any specials are being offered by paper suppliers. Often, specialty papers are left over from previous jobs, or paper supply companies are trying to deplete excess inventory and sell at substantial savings.
2. Avoid designing with "bleeds," which is when the ink goes off the edge of the paper without leaving a border. This can add 5 to 10 percent to the cost of your print job.
3. Turn multiple documents into booklets by printing on both sides. This reduces paper costs and press time. Also, avoid complicated binding that may have to be outsourced by your printer. It adds time and cost.
4. If printing in a color other than black, find out what other jobs are scheduled to be on press and when. If your job can be printed at the same time, you'll save by piggy-backing. Minimize the use of fluorescent or metallic-colored inks, too. They add to overall costs. Lighter colored inks can also increase costs.
5. On larger quantities printed on two sides, lay out both sides on one larger sheet. This is called printing "two up" and can reduce costs by about 25 percent because press time is cut in half.
6. Avoid close registration of logos or illustrations that may require the production of metal plates, adding dollars per ink color and for each color photo. These graphic elements can also inflate your costs for design, artwork preparation and final printing.
7. Avoid large areas of solid ink as this may also require production of metal plates or longer press runs.
8. Consider using duotones (two-color artwork) instead of four-color artwork. The results are often more striking, and you may save hundreds of dollars in your finished piece.



9. Always make sure you've made changes to your files before you turn them over. Revisions can be costly once a job is in production.
10. Print a supply of two-color "shells" for three-color marketing materials that are produced in the same format on a recurring basis, such as newsletters or recurring mailings. When the project is ready for press the printer can simply imprint the text on the shells in a third color and you'll save money over the life of the project.
11. Consider digital color copies for small quantities. Printing fewer than 400 of a full-color brochure is usually cost prohibitive. Digital color output can deliver the quality appearance you desire for a fraction of the price.
12. Plan ahead to avoid rush charges. Research the length of time required for production, printing and added processes like folding and die-cutting. Stay on schedule to avoid rush charges, which can be as high as 50 percent to 100 percent above the normal price.

If you plan ahead – from early stages of graphic design, through formatting, paper selection, printing and mailing – there are many opportunities to get the most for your money. And, chances are, you'll save valuable time, too. In short, the best tip is to engage your marketing and print provider as early as possible to avoid the pitfalls of designs that don't take advantage of the guidelines above, and other tricks of the trade.



Author's biography

Bob Milroy has been in the business of developing and executing successful marketing strategies and tactics for 35 years. For more than two decades, he was president and CEO of Alexander Marketing Services, a top 50 business-to-business marketing services company with clients ranging from non-profits and new business startups to global Fortune 100 corporations.



Where Do You Go From Here?

As a marketer of a small or mid-sized business, you are contending with a growing list of challenges – both internal and external – that influence your development of a successful marketing program.

In a tough economy, the pressure builds. You have fewer inside resources in people, time and dollars. There's increased competition in the marketplace. And, you have many options in marketing strategies that produce varying outcomes. It can seem to work against you when you need to demonstrate results.

Where Does a Marketer Begin?

Direct marketing is a proven strategy that generates measurable outcomes when done right. But, managing all of the components of a successful marketing campaign can be time-consuming. That's why the most effective use of your staff, time and dollars is found in consolidating your program with a single source to develop, produce and deliver your direct marketing programs.

Beginning with creative development and design, Allegra works closely with you to define and refine key messages tailored to target audiences.

Next, we can help you to fine tune your print communications to ensure you are getting the most bang for your buck. We'll recommend the best direct mail formats, craft compelling offers and assist you with managing your mailing lists.

Of course, we all know a great-looking piece will fall flat on its face if it doesn't get into the hands of the right people. Allegra understands the postal requirements that must be met, so your direct mail gets delivered... and at the lowest possible cost.

Allegra is locally-owned and operated. Our focus is on small and mid-sized businesses and organizations that need marketing services and print-related communications. Our skills include customer/donor communications, lead generation, sales support materials, special events support and brand identity – whatever it takes to make an enterprise like yours not just survive but thrive. We're an integrated, one-stop source for successful communications strategies – whatever the business climate.

Want to learn more? Contact your Allegra representative today.