

Direct Mail Marketing and Gift Cards-Fulfilling You Dreams

This class is designed to not only help you increase gift card sales but also increase the overall effectiveness of your general marketing efforts by using direct mail. Direct Mail is one of the most powerful marketing mediums in use today. Few other marketing tools can deliver your message with exact precision at such a low cost.

Did you know that 68% of readers will open your mailer if their name is on it?

Or that including a gift card in your mailer increases customer interaction and the appeal of your mailer by 35%?

We believe that there are many benefits to incorporating a direct mail campaign into your gift card program.

There are many benefits of direct mail. Some of those benefits include:

- **Personal:** Direct Mail can address customers by name. You can craft messages that are tailored to their needs and appeal to their interests.
- **Leverage:** It leverages your efforts. Instead of giving your sales pitch to one person at a time, direct mail enables you to give your best sales pitch to hundreds or thousands of people simultaneously.
- **Targeted:** It allows you to pinpoint the people who fit your business' psychographic, demographic, and geographic profile.
- **Fast Results:** You get an immediate response as 80 to 90% of responses are received within one to two weeks.
- **Measurable:** It's easy to track your return on investment because with direct marketing you can code your mail pieces so you know how many responses you received from each campaign.
- **Cost Effective:** A direct mail campaign makes your advertising dollars go further because your targeted message goes directly to the people you want to reach.
- **Tangible:** Because it's something recipients can touch and feel, unlike a radio or email ad, they are more inclined to hang on to it. Especially if it has a gift card preloaded with \$5 or \$10 off a purchase because people perceive gift cards as money and no one wants to throw away money.

Let's expand on the cost effectiveness of direct mail marketing. You can implement the program in phases rather than all at once. For example, say you have 5,000 people you want to target. You can mail to 500 every week or month. The benefits of doing the mailing in phases is

that you can spread the cost of the mailing out over several months. You can also protect against an overwhelming response so that you can effectively handle all the incoming inquiries and business. For a small company a powerful response can be detrimental if the responses are not handled quickly and effectively. The most important benefit of doing mailings in phases is that it gives you the ability to test a market.

Let's talk about testing a market. For example, if you identify a market segment that you think will be a good segment to target, you can mail to a portion of that market to see if you get an appropriate response. Let's use 5,000 again. If you mail to 500 and get a low or no response, you will know that that is not a good segment to target and save yourself the time and costs associated with mailing to the other 4,500. Direct mail experts recommend that the test constitute 10% of your mailing list and no fewer than 250 pieces for accurate results.

You can also test the effectiveness of different offers. Again, using the 5,000 number, you can test 3 to 5 different offers and see which offer yielded the highest response rate.

One of the most important elements of direct mail marketing is the mailing list. Your mailing list should start with all of your current customers. We recommend analyzing the demographic, psychographic, and geographic characteristics of your customers. Do a high percentage of them live in a certain zip code? The Census Bureau and other data suppliers can provide you with significant demographic data by zip code. You can use this information to get a more thorough understanding of the profile of your market. It is probable that a higher percentage of sales are coming from a few zip codes and that may have little to do with your physical location.

As you learn more about the demographics of your customers, create a customer profile. The concept is that if these people buy your product, then people like them will likely buy your product, too. At least they'll be more likely to buy your product than the public as a whole. Take the next step and go to professionals in the database/ mailing list business, called list brokers, and see what lists they have available that match your current customer/prospect demographics.

You can use the internet or the yellow pages to identify list brokers. List brokers have access to thousands of lists. They have a thorough understanding of their lists and can provide you with insights about which list or lists are best for you. The more you know about your current customers, the better a list broker will be able to help you.

The average cost of renting a list from a broker is \$300 per 1000 names but it is variable depending on the complexity of the list. You cannot buy lists, they are available for a one-time rental. If you want to mail to the same list a second time you'll have to pay an additional charge. Once you have your list ready, you can start to create your mailer.

Profit Point offers the direct mail and fulfillment services that will help ensure that your money is spent effectively in targeting the appropriate audience with the appropriate message. Despite the benefits, with direct mail marketing you only have a moment to pique a customer's interest. That's why the design, wording and packaging of the mailer are key elements to your campaign's success. Looks count so using the right colors, typeface, and a professional look and feel, goes a long way in attracting your target customer.

Profit Point provides highly effective and attractive mailers for a fraction of what you would pay an agency or independent contractor. Our design team will create custom cards your customers can reload and reuse repeatedly. Our design team will also customize your mailer so that the right message gets into the hands of the right people. Best of all there is no cost when using our design team.

We offer different direct mail marketing packages for all budgets. Examples of our options include:

- Letter and Envelope mailer with a gift/loyalty card
- Bi-Fold mailer with a gift/loyalty card
- Tri-fold Mailer with a gift/loyalty card (could also be used as a counter display)

All of our options include CASS address verification, custom artwork, custom cards, card affixing and first class postage and mailing services.

We also offer additional options which include mailing list services, personalization of cards, weekly or monthly mailings and pre-loading of cards.

You can refer to our website for more information about our package options or call our direct marketing and fulfillment specialist Nicola Wedderburn at 888-541-6789 x138.

The biggest advantage of using Profit Point to implement your direct mail marketing campaign is that we can promote your gift card program and promote the benefits of your business in the same marketing mailer for double the impact.

The goals of Direct Mail Marketing with Gift Cards is to

- Increase overall Sales
- Reward current Customers for their continued patronage
- Attract new Customers by reaching people who would otherwise not know about your business or your gift card program

- Reduce the costs of your overall ad budget by targeting your efforts to the appropriate audience

Thank you for attending our training on Direct Mail Marketing and Gift Cards-Fulfilling Your Dreams. We hope you found this class to be informative.

Do you have any questions?

Definitions

Demographics : The physical characteristics of a population such as age, sex, marital status, family size, education, geographic location, and occupation.

Psychographics: The use of demographics to study and measure attitudes, values, lifestyles, and opinions, as for marketing purposes.

Geographic: The physical location of a customer. In mailing terms it is best represented by the zip code

List Broker: person who makes the arrangements for a company to rent lists of addresses that can be used for direct mail marketing campaigns. A List Broker's services include list research, selections, getting list counts, recommendations, and response evaluation.