

Why would any company use direct mail today?

'Snail-mail' method enjoys a surprising resurgence

By John Graham

Why would any company use direct mail today? Perhaps the most direct answer is simply that direct mail *reaches* people — the *right* people — in more ways than one.

It's no accident that Web-based companies, like AOL, rely heavily on direct mail to reach prospects. And, the largest credit-card marketers like MBNA, Citicorp, and Chase all depend on direct mail to connect with precisely the right prospects.

Even so, it may come as something of a surprise that 56 percent of the marketers participating in a recent survey planned to increase their spending on direct mail in 2005.

The same direct-marketing trend survey by Kern Direct points out that direct mail beat out search-engine marketing, print advertising, e-mail, and e-newsletters. Universal McCann's director of forecasting, Robert Coen, predicts that direct-mail spending will total \$51.5 billion in 2005, up almost 10 percent over 2004.

If direct mail is growing, then why did so many marketers seem to abandon it almost overnight in favor of e-mail, Web advertising, and Web sites? There were two reasons.

First, there was a massive migration to "the latest technology." Like so many other new tactics, electronic marketing tactics were adopted *without* proof of ef-

fectiveness. The lemming-effect set in almost immediately. Everyone was doing it and no self-respecting marketer wanted to be out of step, "left behind," or thought of as a latter-day Luddite. That wouldn't look good on their resumes. Direct mail was dropped like the proverbial hot potato.

The second reason was cost. As soon as banner advertising and "e-mail blasting" became available, the promoters of electronic marketing emerged from the woodwork with their promises of reaching tens of thousands of buyers at a fraction of the cost of direct mail. If that wasn't enough, it was all so quick and easy to implement — agree today and hit the button tomorrow. It was nothing less than a feeding frenzy, as we all know. Yet, it was little different from the telemarketers who first promised qualified leads and then the "ready-to-buy" appointments — or any of the other get-rich-quick marketing schemes that hold out the lure of easy sales.

Now, the migration is back to direct mail and the reason for the move is simple: the other communication tactics *failed* to deliver the promised results, while "opt-in" requirements put the brakes on e-mail blasting, just as they did with consumer telemarketing. Even more to the point, the constant bombardment was too much for customers to bear and they increasingly rejected what they viewed as intrusive techniques.

So, again, "why direct mail?" Whether

it's car manufacturers, cell-phone companies, credit-card issuers, magazines, computers, or just about any other product or service, direct mail has regained its former popularity. Here are reasons for its resurgence:

■ **Everyone takes mail seriously.** The emphasis is on *everyone* because mail is compelling. We wait for the mail to arrive and we complain if it's late. When there is no delivery on holidays, we feel deprived. When arriving home, we can hardly wait to "go through the mail." We want to see what's in the box for us. At the office, we stop whatever we're doing when the mail arrives. In other words, we view mail as a priority.

■ **Mail is tangible.** You can touch, hold, and handle mail, which gives it more of a feel of reality. You can also toss it in the trash if it fails to connect with your needs or imagination. But it takes more than a click to get rid of it.

■ **Mail has a more personal feel to it.** If your name is on it, it's yours, even if it's a postcard. Getting an electronic Hallmark card isn't the same as getting a Hallmark card in the mail. At the same time, we give the most attention to the mail that seems the most personal. We reject the mail that's nothing more than an "ad" and we accurately label it "junk mail."

■ **It's easy to retrieve it.** Experienced marketers aren't surprised when they receive a telephone call or have a response card returned months after a mailing. The ability to put a direct-mail piece aside until there's more time to review and read it

is common. While this is certainly possible with electronic media, it appears to occur far less, perhaps because e-mail is designed for instant action.

The case for direct mail is compelling. Yet, its effectiveness is controlled by a number of critical factors:

■ **Direct mail must be customer focused.** While it seems almost unnecessary to even suggest this, going through a stack of mail only confirms how rare it is to find a mailing that accomplishes this simple objective. Just notice what percentage of the message is on the seller or the product and not the customer. Is the focus on what the customer can do for you or on what you can do for the customer? Bank of America's CEO described MBNA — the highly successful credit-card company that his bank is acquiring — this way, "I see them as a sales machine."

He's wrong, dead wrong. MBNA is a creative, unrelenting, colossal *marketing* machine, *not* a sales machine. The difference is anything but subtle because it's so fundamental to MBNA's success. MBNA's entire focus is on understanding *exactly what customers want* and then giving it to them. It's the marketing that produces sales.

■ **Choose the right list.** Mailing lists can be had on the cheap — and they are worth exactly what you pay for them. More to the point, they are marketed on the cheap because there are those who either cannot or refuse to appreciate value. Is \$3,

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\$5 or \$10 a name too much to pay if the list is a perfect fit for what you're marketing?

■ **It must be personalized.** Anything less is diminished in value. There's a major difference between the mailing that says you are "pre-qualified" for a credit card and the one that states the amount for which you are pre-qualified. While using individual names is essential, personalization must include how the offer relates to the individual.

■ **Make the offer compelling.** Another credit-card offer arrived in the mail. While I had tossed the others, I opened this one because it promised up to 15 months interest free on purchases. The length of the zero-interest period caught my eye and the fact that it applied to purchases and not just transfers was appealing. Direct mail is not a "cheap" way to attract customers. It's a serious tactic that produces positive results if taken seriously.

■ **Stay with it.** Like any other marketing effort, there is always more than one reason why direct mail fails to deliver expected results. At the top of the list is repetition and this is where most direct mail falls apart. Why should we allow ourselves to think that recipients should be interested in what we drop in their mailboxes at a particular moment? The task of attracting a group of prospects and turning them into customers results from creating a plan for a direct mail campaign that rolls out over a period of time and unfolds the total message through a series of meaningful contacts.

■ **Provide response opportunities.**

Effective direct mail is made interactive by offering the recipient ways to communicate with you in a variety of ways, whether by mail, phone, fax or the Web. While that's essential, there's another dimension that deserves attention. Direct mail should give customers options that fit their needs, wants, and expectations. They should be able to ask questions, obtain information, tell you how and when to contact them and, of course, express interest in making a purchase. The task is one of giving them "room" or freedom so they feel comfortable with us.

As an indication of the value direct mail can deliver, a survey by Peppers and Rogers Group, a management-consulting firm specializing in customer-focused business solutions, reveals that direct mail contributes more to establishing a relationship between a business and its customers than print ads, TV, radio, e-mail, Internet, or telemarketing.

And like any type of relationship, it doesn't happen overnight, depends on being totally genuine, and must maintain an appreciation for what's important to the customer. □

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