

The

4

**Golden
Rules of
Direct Mail**

L

D

P

O

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**L-D-P-O stands for
List-Delivery-Packaging-Offer**

*These are the 4 basic links that make up
the chain of direct mail success.
If only one of these links is broken, it will most likely
doom any direct mail project to failure.*

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List

The Single Most Important Part of Direct Mail

Most people, (including experienced, successful business people) think that the number one priority in Direct Mail is the copy (the words), the design or the offer itself. *Wrong-Wrong-Wrong!* **The most critical element of any direct mail program is the MAILING LIST!**

Don't forget this: The best, most creative letter mailed to the wrong list won't make you a penny, but a mediocre (even terrible) sales letter or an offer mailed to an excellent list will give you a much higher return. There are basically two types of mailing lists available:

1) Compiled lists

2) Responder lists

A *compiled list* is simply a list of specific individuals who have something in common. For example, a list of everyone who lives in the city of Stamford, Connecticut, or a list of people that own 2002 Cadillac Seattles, or a list of people who own houses worth more than \$300,000, etc. **People who are found on a compiled list are on it because they share a common thread.**

A *responder list* on the other hand is a list of people who have made a mail order purchase. The key here is 'purchase.' **These people have taken action and have spent their hard earned money on purchases through the mail, internet, calling an 800#, or some other means.**



You must decide whether what you are selling requires a compiled list for a *'shotgun approach'* or a responder list to garner a *'rifle approach'* (aiming at a narrow target audience). For example, Pizza Hut would aim at a very large target audience and would not need to use a responder list in most areas – since most people eat pizza. So, if you are aiming for a very wide audience, such as Pizza Hut, you can often successfully use a compiled list for a far reaching *'shotgun approach.'* Unlike Pizza Hut, an upscale restaurant may buy a list of people in a given area who have ordered gourmet items through the mail to find those people who are most likely to spend over \$100 on a dinner for two. Of you are aiming for a much more narrow audience, like our upscale restaurant, you would be much better off using a responder list to zero in on your target audience, much like a rifle shot hitting a bulls-eye.

Delivery

If you are renting a list, make sure you are dealing with a reputable list broker and always mail **FIRST CLASS**.

Why? There are basically **2 reasons** (other than speed of delivery). The first reason is because I have a file drawer full of post office horror stories – **mail being thrown out, lost, lying in storage containers, etc.** While all the above can happen with first class mail, it is *much more likely to happen with standard (formerly bulk) mail*. How do I know this? Besides my file drawer full of horror stories, I personally witnessed a postal service near-disaster.

One day in 1992 I was conducting a direct mail promotion for an auto dealer in New Rochelle, NY (*This was a 2-day direct marketing extravaganza — with food, balloons and prizes — not your normal direct response type of sale*). While greeting the people coming in to look at the cars and trying their luck to win a \$10,000 prize, I asked (as I always do) when the visitors received their ‘tube’

(I used a 4 inch tube for mailing a sales letter and a ‘lucky key’ for this particular promotion). I was very puzzled when almost everyone said they received it that day or the day before. I would always send these tubes out First Class, so they would arrive 3-4 days before the sale. Because there was a large crowd, I didn’t have much time to think about it until the ...

Postmaster of New Rochelle came in to try his luck and look at cars!



When I found out he was the Postmaster, I asked how these tubes could have been delivered in the past 24 hours. He looked at me very sheepishly and said, “We screwed up.” He continued, “Because most large quantities of this type are mailed bulk (most recently called standard mail), the guys in sorting just ASSUMED they were bulk...*they didn’t BOTHER to look at the postage.*” After I closed my mouth (because my jaw had dropped open), I asked him how they ended up getting delivered in time for the promotion. He said as he was walking through the depot, he saw several sacks with these unusual tubes sticking out lying in a corner. When HE looked closer he saw they were marked “First Class” and rushed to have them delivered. So you see, because some ‘worker bee’ at the post office thought the mail was bulk, it was sitting in a



corner waiting for somebody to get around to it. After that experience, I changed the mailing label to scream **FIRST CLASS** and had my mail house notify the respective Postmaster in each town before the tubes were delivered. The sad thing is, this is not an isolated case with the Post Office.

To get back to using a reputable list broker –

you cannot tell how ‘deliverable’ the list you rented is using bulk mail.

Undeliverables will not be returned for any reason (whether the person moved, no such address, forwarding order expired, etc.). However, with First Class mail, all undeliverables should go right back to the sender. Therefore, if there is an unreasonable amount of returns, you can go back to your list broker for an explanation and a refund. (There should be no more than 5% undeliverables on the vast majority of rented lists. Inquire about the guarantees of your list before mailing.)

What’s more, if you get a downright awful response to a mailing, there are steps you can take to track the delivery of first class mail, that you cannot take using bulk. Don’t forget, bulk mail will not be forwarded to a new address, and a bulk rate stamp or insignia just screams, “This mail is NOT very important.”

So, now that I’ve given several reasons for not using bulk mail, your next questions would be “Why do I see so much of it?”
Three reasons:

- 1) People (small mailers) are ignorant of the facts I just gave you.**
- 2) Large companies (i.e., Publishers Clearing House) have super advanced computer software and computer tracking measures that make the postage discount worth it.**
- 3) Some folks don’t mind the “Bulk Rate Gamble” for their own reasons.**

In 27 years, I have never sent any of my advertising mail through bulk rate.

Would I ever mail bulk rate (for one of my clients of me)?

Only in a very, very narrow set of circumstances (which is an entirely different subject). Enough said.

Packaging

So let's assume you know to whom you want to target with your mail and you're going to mail first class.

What type of "packaging" should you use?

Since 90% of the mail you are likely to send will be in the form of a letter or postcard, I won't delve into the other types of clever packaging that is most likely to get opened in this report.

However, just like the 'mailing tube' previously mentioned, I have very successfully used many types and sizes of tubes, clear plastic bottles (message in a bottle) and many large and small boxes. For the most part, these 'fancy' attention getters are very expensive and can only be used cost effectively on mailings of over 20,000 pieces and used most successfully at an "Event" type of sale.

Believe it or not, 95% of the direct mail promotions I create are delivered in a plain old white envelope with nothing on the outside, except a return address in the corner (with no name, just a street address). **This is called a 'blind envelope.'**

Now you're probably asking "How can that be? I see all the biggest companies and publishers put all kinds of fancy graphics, teaser copy and stickers on the outside of their envelopes."

I say if you're a big mailer (a VERY big mailer) then maybe you have the time and hundreds of thousands of dollars to test all that nonsense. I don't, and I suspect you don't either.

I want to make sure my envelopes...

GET OPENED – PERIOD.

Even if you have the best graphic artist in the world, and the best copywriters to write the 'teaser' (the few words on the outside of the envelope), I would still bet any amount of money that a plain white envelope that looks like a piece of personal, business or other official correspondence will get opened faster. **This is known as the "A pile—B pile" theory** and I first learned it from a famous copywriter named Gary Halbert and it goes like this:

*Almost everybody divides their mail into two piles. The "A" pile contains letters that are (or look like) personal mail or some other correspondence. The "B" pile contains everything else – catalogs, brochures, neighborhood solicitations, coupon stuffers and all other announcements. Everybody **always opens all of their "A" pile** and only some or their "B" pile.*

When I am spending thousands of dollars of my own (or my clients' money), I want to be darn sure that my envelope ends up in the "A" pile. I don't want to take a chance that all those fancy graphics and teaser copy land my letter in the "B" pile that may be only casually looked at or thrown out altogether.

I can just hear your arguments now. Well, trust me on this one. I've tracked and documented the responses of mailings both ways (simple white envelopes and envelopes with teaser copy and graphics). I've mailed millions of pieces, and there is absolutely **NO COMPARISON** at all for most smaller direct mail budgets (50,000 pieces or less)...

**Personal or Official
looking envelopes
ALWAYS land
in The "A" Pile,
EVERYTHING ELSE is
a GAMBLE.**



Offer

OK, you'll mail your letters First-Class. You've rented a list from a reputable list broker (or better yet – used your own).

You've Packaged your message in an envelope that is sure to make the "A" pile, with First Class Postage that is just begging to be opened. Now, you need a strong OFFER ...

**And for you –
this should be the easiest part.**

Why? Because deep down you know what a good offer is for your business.

For example, if you're a car dealer sending out a piece of mail repeating the national factory lease rates everyone has already seen on TV and in newspapers, **this IS NOT a strong offer.**

Unless the prospect is living in a cave, she has already seen or heard the offer and would have acted upon it already. However, if Mr. Auto Dealer sweetened his offer by lowering prices below the advertised factory lease price, or added *something of value* TO the national price at no additional cost, **THAT would be a strong offer.**

If you own a quick lube, and your regular price for a full service oil change is \$34.95, a \$3 or \$4 discount is not likely to garner to a blockbuster response. *(Unless there is scarce discounting in your area, or \$34.95 is already a low price)*

Look through the mail you get. See how many offers are truly **great** offers. How about the old Boston Market extra whole chicken for \$1 promotion, or a 99-cent Whopper or Big Mac – you get the idea. *(These are examples of discounts that are more than 50% off.)* If you're going to use discounting as your offer – do it the right way, not half way. Keep in mind a good offer does not always have to be a discounted price.



**The offer is the last piece of the direct mail chain,
but it is the link that gets the prospect to react
– to come to your place of business and...**

spend their hard-earned money with you.

If you're truly not sure of what a good offer is for your business (although I think you have a good idea) simply ASK. That's right – come right out and TAKE an informal poll of a representative sample of your customers. Ask them what they would perceive as a good discount or other offer and remember, it does not have to be only price discounting. It could be a combination of extra services or a multitude of value added product or service. (Boston Market sold a lot of extra chickens for \$1, and a lot of incremental business with it.)

Now, what you should do is probably go back and re-read this report once or twice, because a lot of information was covered, but I know you probably don't have the time. Well that's OK because I'm going to give you the easiest example to remember the L-D-P-O concept. (But you should probably re-read the report anyway.) Here it is:

Case # 1

The L-D-P-O Swimming Pool Example

We will assume I CAN afford a pool, and I am in the market for one. An envelope arrives with busy graphics, looking like junk mail (probably not mailed first class). If I can afford a new swimming pool, I'm probably very busy, so **I THROW IT OUT.** (*Inside the envelope was a legitimate offer for 1/2 off the price of a pool, but I never saw it.*)



WHAT WENT WRONG? – The List was right, the Offer was right, but **the packaging was all WRONG.**

Case # 2

We will assume I CANNOT afford a pool at any price.

An envelope arrives, looks like a personal or official correspondence with First Class Postage. It lands in my “A” pile and I eagerly open it. It is a legitimate 1/2 price offer for a pool – but who cares? I can't afford one – even at 1/2 price!



WHAT WENT WRONG? – The Packaging was good, the Offer was great, but **somebody mailed to the WRONG LIST.**

Case # 3

We will assume I CAN afford a swimming pool.

An envelope arrives and this time I don't throw it out, or put it in my "B" pile to *possibly* get tossed. It ends up in my "A" pile. Inside I read that my friendly neighborhood pool builder is taking appointments with potential clients who are considering having pools installed and the direct mail piece instructs me to call if I'm interested. I end up throwing out the letter.



WHAT WENT WRONG? – There is no offer, no urgency, nothing. If I can afford a pool I would assume any pool builder would be willing to meet with me to discuss the opportunity to put a pool in my back yard. I know I can just go online or look in the yellow pages when I'm ready to shop for pool builders and this piece gave me no reason to act. The packaging was good, the list was good, but there was **no offer**.



Now, imagine if I were in the market for a pool,

I got a letter and opened it, then learned of a **50% off sale**. I don't know about you, but I would be contacting that company in a ... **New York Minute** (*and that's 59 1/2 seconds*)!

Now, I know these examples were very off the wall – but it was intentional – to show you what can happen if you miss just one link in the **L-D-P-O** Strategy.

LIST – DELIVERY – PACKAGING – OFFER

Use these 4 elements and you will be on your way to creating **effective direct mail that will fatten your wallet**.