

Response Multipliers

**How to boost your direct mail response rates up to 127%
without changing a word of copy**

By: Dan Buckley

Preface

More!

"How do I get more responses, higher profits and better quality clients and customers from our direct mail programs — without breaking the bank?"

That is the question that Dan Buckley has been answering for some of America's top direct marketing experts for over a decade.

And in this fascinating, easy to read book, Dan reveals the insights and strategies he employs to increase response rates by 50% to 150% - without changing your strategy or copy.

And he achieves these remarkable gains by making changes so small, subtle and inexpensive that even the experts are shocked when they see the bottom line results he produces for them.

Just a few of the insights you'll gain in this little direct mail treasure-trove are...

- **How to use the power of expectation to make the prospect want to open your letter**
- How to favorably predispose the prospect to want to believe your sales message
- **Subtle ways to add small touches of response boosting personalization**
- Little known secrets about where to place teaser copy to increase your mail opening rates
- **How and why bulk rate stamps can out pull a first class meter indicia**
- 7 unseen but costly mistakes that even experienced mailers make with their customer database
- **3 ways to use the return address to increase your response**
- Why your letters first impression may be killing your sales
- **And much, much more...**

I know that you will refer to this book every time you send out a direct mail piece. The ideas it can trigger, the money it will save and the increased response rates you will enjoy make this book an invaluable direct mail companion.

Keep a pen and paper near by as you read through these pages because I know these insights will spark ideas you can put to work on your very next mail project.

About the Author

Dan Buckley has spent the last 20 years managing the mailing list of some of the country's top direct marketers.

In the process, he has personally overseen 4000 thousand different marketing campaigns! That experience has given him insight into little known ways to use the mailing package and database technologies to boost both response rates and bottom line profits.

In addition, he has developed several proprietary software programs to help his clients increase the value of their mailing list, pioneered unique database strategies and created cutting edge response multipliers.

If you would like to receive a free direct mail and data-base consultation from Dan, simply call 562-531-6767 or shoot his assistant an email at cari@dbmweb.com

Introduction

If you are looking for big gains in your direct mail response rates, then you might be surprised to find that the answer may lie hidden in some very small changes.

In fact, these simple little strategies are so subtle that you will no doubt be taken back at the impact they can have on your next mailing.

And if you are, you're not alone.

After 11 years, thousands of different mailing campaigns and over 26 million pieces of mail I've found that even sophisticated mailers quite often overlook (or aren't even aware of) the dramatic increases in response that could be theirs for very little extra effort or expense.

It isn't uncommon for several of these small changes in a package to create a 75% to 150% increase in response.

I like to call these changes "Response Multipliers". It's a definition I've adapted from what the military calls "Force Multipliers. A Force Multiplier is an action that creates results many times beyond the effort expended.

For example, the "element of surprise" is a force multiplier. With the element of surprise a small force can annihilate a much larger, extensively trained and better supplied force.

In the same way, there are small changes you can make to your current direct marketing programs that will act as "Response Multipliers".

Now, why can these small changes increase your response rates so dramatically?

That is a question that I've been asking myself for the last several years. And what I've discovered is that each of these strategies triggers a high leverage psychological or habitual response in the mind and emotion of your customers and prospects.

Therefore, in addition to giving you specific "tips and techniques", I feel it is important to share with you the underlying foundation and principles that give these strategies their power. Once you understand the source of power, you will be able to create your own force multipliers.

I'm also going to include some small changes in the way you use your database that can also create equally large leaps in response.

Now let's make your response rates climb...

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The Response Multiplier Effect

If you are looking for ways to increase response rates without increasing cost, then you need to know about these small, simple “response multipliers”.

Each triggers psychological levers and lets good ol'e human nature do the rest of the work.

You will notice as we go through these psychological levers that your probably quite familiar with all of them. In truth, not one of us isn't influenced to some extent by these levers every single day.

You will also become aware of the fact that many of these strategies simultaneously trigger more than one button in human nature. That is another reason that such a small change creates such a large lift in response.

Now, the first psychological lever that can have quite an impact on your response rates is...

The Psychology of First Impressions.

No where is the old maxim "You never get a second chance to make a first impression" more true than in direct mail.

Your customers and prospects can't help but create first impressions of everything they see.

So anything you can do to effect the first impressions created by your mail package can greatly increase your response rates.

First impressions are instantaneous. They occur before your prospect has even picked up the letter. They fire off an unconscious emotional response and judgment before they've even read the copy or the return corner to see whom the letter is from.

Forgive the double negative but... people can't not create first impressions.

Let's say you walk into a coffee shop. At one table you see someone in their early 20's, wearing jeans, a USC sweatshirt, and Birkenstock sandals. On the table is a backpack with books spilling out of it. And this person is reading a large book with lots of yellow highlights in it.

At another table you see a gentleman in his mid 40's with salt and pepper gray hair. He is wearing a blue suit with a starched white shirt and a red tie. In one hand he holds a cup of coffee and with the other he gestures as he speaks to two younger men (also wearing suits) sitting at the table with him.

Finally, at another table you see another gentleman in his mid 40's. This man has long, unruly hair. His face is badly sunburned, wrinkled, and none too clean. He is holding a cup of coffee in both hands and stares into space as he rocks back and forth.

Your mind takes in that scene in a flash and forms attitudes and beliefs about each of those people.

Who are you going to sit by? Who are you going to avoid? Who are you going to make small talk with about college sports? Who are you going to make small talk with about the stock market? Who do you respect most?

All of those questions were answered before you even had a chance to think — before you had a chance to blink!

That same force exerts a powerful influence on the mind of your customer when they take the first look at your mail package. And in my experience, many direct mailers just don't spend enough time and imagination creating the types of first impressions that are going to work for them.

There are four primary "Response multipliers" that affect your prospects first impressions. I've seen small changes in each of these areas have a large impact on response rates.

Format

First is the letter format you choose. There are three basic formats for you to choose from.

#1. Personal correspondence. This is the standard #10 envelope; typed name and address, typed return address and a live stamp or meter. It can also be a smaller monarch or invitation size envelope.

The first impression formed is that of a personal communication from one person to another. It usually doesn't raise anyone's psychological guard. In fact, it can enhance curiosity and interest.

#2. Bill, statement or check. Usually a windowed #10 envelope or smaller. The first impression... "Hey, somebody sent me a check." or "Who's this bill from?"

#3. Direct mail. May come in all sizes, shapes and colors but the first impression is that somebody is probably trying to sell you something.

#4. Magalogs, bookalogs etc. These special reports can create an impression from a juicy National Enquire expose to a serious business report.

#5 The Postcard. Postcards are incredibly versatile tools. They can look glossy and slick or be information packed. They can herald the eminent arrival of a larger mailing package, or stand on their own as lead generators driving call-in and website traffic.

All five of these formats communicate a message in the blink of an eye. Before the customer has read a single word on the envelope or Magalog cover or postcard, they have already formed an impression of your package.

Here are some rules of thumb about these different formats...

If you are new to direct mail, the personal correspondence format is the easiest to execute and can get you one of the highest open rates. As you gain experience, or if you are a sophisticated mailer and have access to quality copywriters and designers, you can begin experimenting and testing different formats.

The bill or check look can also create a high opening rate. I don't know about you, but when I'm going through the mail I love opening the checks. If your prospect thinks the letter is a bill they'll most likely set it aside to open after the other letters. Yet, it still stands a very good chance of getting opened.

When you mail a letter that has the perception of "direct mail" you instantly drop your opening rate by 30%, 40% or more. Simply put, the direct-mail-perception causes your prospects to drop a lot more of your mail in the trash can. (Again, there are exceptions to this rule of thumb for more sophisticated mailers with access to top copywriting talent. But many newer mailers and ad agencies without direct response experience can – and do – really mess up this format)

This is an important point: Just sticking a line of teaser copy on the outside of an otherwise personal letter dramatically drops your opening rate. And that is before the prospect has even read the teaser copy.

Remember our friends in the coffee shop? Well as your customers are sorting through the mail they are forming the same instant impressions before they even have a chance to read anything on the envelope.

Prove this for yourself...

Take your mail and scatter it on the kitchen table. Can't you tell from five feet away what is personal correspondence, which are bills and who is trying to sell you something even though you can't read the copy?

Does this mean you should never use a direct mail format? Not at all. Sometimes, despite a much lower opening rate, the direct mail format will out-pull a personal correspondence look. Why? Because the effect the copy can have on expectation and anticipation (we'll cover those in the next section).

What it does mean is that you should test the different formats. If you are using a direct mail format I would strongly suggest testing a more personal correspondence look. On the other hand if all you have ever used is a personal format, you should test using benefit oriented teaser copy or step up to a Magalog.

The big loser is the self-mailer. There are some situations in which you may want to test it (going after cold prospects on a poor list) but typically it pulls the lowest number of responses. Probably because it is the least personal. It also conveys "unimportant" in an instant.

One of the most flexible formats is the little postcard. Postcards are great for lead generation. For new product announcements to your list. For keeping your mailing list clean and warmed up. For alerting prospects and customers that a big announcement is about to show up in their mailbox, for driving traffic to websites and much more. Just remember that your space is limited so your "sell" is limited. So don't ask a post card to do a sales job that only a longer letter, salesperson or website can do.

What are other factors that impact first impressions?

Postage

Imagine two identical personal style envelopes lying on your desk...

Now imagine that one of them has metered postage and the other two stamps. Assuming you don't know whom they are from, which will you open first? Which do you feel is more personal? Do you see how that small change can make a big difference on the first impression you create?

The type of postage you choose can increase response and it can suppress response rates. So it is definitely worth testing. Especially if you are using a personal correspondence format.

I'll be talking more about postage in the next section.

Color and texture

Different colors convey different messages. The color can be the envelope itself or the teaser copy and addressing. Color even makes a difference in the paper stock you choose for the letter. Some colors say "exciting", some convey "elegance" and others scream "urgent".

Several years ago the magazine Direct Marketing published the results of extensive test conducted by Intermarket on the impact of color and texture on response rates.

In one instance, a yellow textured stock was tested against the usual white piece, the "control". No other changes to the package were made. Yet, it generated an extra 46.25% response. In another case, they achieved a 142% increase in response.

In yet another test for a fund-raiser, a textured stock was tested against plain. The textured stock increased donations by 13.1%. Even more importantly, the dollar value per donation increased by 3.3% yielding 16.8% more dollars. And how much more did it cost to use the fancier paper? Only 1%!

I know of another instance where a businesswomen mailed out a pastel blue self-mailer. Response was fair. The following week she mailed out the same mailer in fire engine red. Her response multiplied 5 times!

Now, I'm not urging you to change all your envelopes to red. The point I do want to drive home though is that if you are not testing colors and textures you are probably losing money. In fact, an inexpensive shift in the color and texture of your mailings can create just too much of an increase in response for you not to test.

Package Size

Size does matter!

The size of the envelope you choose can increase or decrease your response.

Size can communicate importance, arouse curiosity and make your letter stand out from the “rest of the herd”.

If you only mail in #10 envelopes, you may consider testing a slightly oversized #11 or a 9/12 X 12. I've seen both boost response rates.

In fact, I know of one newsletter company that has a 9 X 12 envelope that has beat all challengers. After dozens of test with different size envelopes, they still haven't beat the response rates created by the 9 X 12.

The Psychology of Expectation

Not only do our mail packages create first impressions, but they also create powerful expectations.

And just like first impressions, expectations are formed instantaneously and unconsciously.

Any positive effect you can have on the expectations your letter creates will have a profound effect on your response rates. To understand why, let's look more closely at how pervasive and influential expectations are in our lives.

Probably more than any other factor, our expectations in a large part determine what we get out of life. Henry Ford said, "Whether you think you can or you think you can't, you are right."

We can sum up the psychology of expectation with these statements...

You get what you expect to get.

You see what you expect to see.

This simple (but powerful) psychological principle is so important to your mailing response that I want to discuss it from a couple different angles.

Our marketing cousins, package designers, have probably mastered the art of manipulating perceptions better than any other segment of marketing.

They know that the package around the product actually effects the value, enjoyment and even perceived taste of a product.

Here are a few examples...

One company did experiments that put a unique twist on wine tasting. They decided to pit California wines against French wines in a taste test. Only they let the subjects see the bottle that the wine was being poured from. The French wines won hands down. But what the subjects didn't realize was that the researchers had switched the contents of the bottles. They put the California wines in French bottles and visa versa. The perception that French wines taste better created an expectation that actually affected what people tasted.

In another taste test researchers found that when folks knew what they were eating they preferred the taste of quail over turkey and turkey over chicken. But when the same subjects were blindfolded and given the meat, they couldn't tell the difference between the three.

One more example...

We all know that the best tasting oranges are those deep orange ones, right? Wrong. Taste researchers have known for 50 years that the pale yellow oranges can be just as juicy. So for years orange growers dyed the oranges to increase sales until the FDA put a stop to it.

In each of these examples researchers discovered that much of what we tasted is as much a matter of expectation and perception as it is actual taste. Simply put, we taste what we expect to taste.

In direct mail, our envelopes are the packages for our propositions. And as packages they have a powerful effect on the expectations and perceptions of our prospects. We should be paying as much attention to the expectations created by our envelope as a package designer does to the box around a product like tea.

These expectations actually increase receptivity to the proposition and even play a role in the perceived value of our offer. But if you are not careful, they can also lower receptivity.

The expectations you strive to create should be directed at "favorably predisposing" the prospects to your offer.

Readers Digest discovered that the envelope alone could increase or decrease response by 150% depending on the mix of size, color, shape, copy and personalization.

The winners all seem to heighten expectation on the part of the prospect. The customers' mind is preconditioned to want and believe the proposition on the inside.

That means that it is crucial that the package you create matches the selling proposition on the inside.

If your envelope is a textured, rich cream with burgundy lettering and highlights of gold foil, what do you expect is being offered on the inside? It sure isn't a Bic lighter.

On the other hand, if the envelope paper is a cheap, see-through white with your name typed by what looks to be a 1970's printer. And worse, the name and address are off centered; what do you anticipate? Probably not a \$495 exclusive seminar, right?

If you think I am exaggerating in the above example, I'm not. That is exactly what one prominent sales trainer was sending to some of his best clients. It is no wonder that he doesn't believe that direct mail works!

You see, because he didn't believe in direct mail, yet still felt he should "do something" he mailed the cheapest envelopes he could find, printed so poorly that his name and logo in the corner were blotchy and see through. Then he didn't want to pay the few extra cents it would cost to have his clients names and addresses professionally imprinted on the letter. Instead he chose to have an inexperienced staff handle the job internally. They printed the names and addresses in oversize, all capitals. And 8 out of 10 envelopes had the names almost under the return address.

If you were one of this gentleman's clients, how would you feel when you received this mail package? Are you going to feel special? Is this a personal letter from him to you? Does he care about you? What expectation does this create for the training program he is offering to you? Do you believe what he says about his training promises and guarantees?

Not surprisingly, his response rates were only a fraction of 1%. Yet he paid nearly \$10,000 every single time he mailed (at least twice a month). The only reason he kept mailing is that his telemarketers felt the mailings "softened up" the customers for them — though they couldn't prove it.

This is the classic case of "jumping over dollars to save dimes".

To help this gentleman out we did the following: improved the quality of both the envelope and letter paper, cleaned up the printing of his logo and name, did a quality imprinting of the customers name on the envelope, added a personalized salutation and finally, created a good sales proposition. The results? He pulled a 16% response!

Obviously, this is an extreme case yet, I see too many sophisticated mailers who don't pay attention to the

perceptions and expectations they are creating in the mind of prospects and customers alike.

Let me make a strong point here...

A cluttered, messy cheap looking layout makes the company and the product seem cheap, and all the brilliant copy, testimonials and guarantees in the world won't overcome that impression.

If every mailing piece yells "bargain and clearance" eventually the recipient gets the impression that "bargain" is the nature of the company and expectations of a quality product steadily diminish and finally disappear.

The appearance of the letter, the character and personality communicated by the textures, colors, envelope and copy used can do more to enhance or destroy credibility than any words.

Always remember this: The presentation and look of the letter you create needs to build credibility and respect before the prospect has read the first word.

As I've already stated, the decisions you make about an outer envelope can change response by 100% and more. A 2% response can drop to 1% or go up to 4%!

So, mentally take the envelope you are creating and place it on a table with all of the other mail your prospects receive. Then ask what your instant reaction would be if you were a potential customer looking at all those envelopes.

With that in mind, let's go over some of the specific elements on the envelope that can build or harm the expectations you create.

Eye Flow Patterns

When prospects look at your envelope their eyes go through a series of steps called eye-stops.

How do we know this?

German Professor, Sigfield Vogle, conducted research to see if people who looked at an envelope had any consistent habit patterns. And what he discovered can be used to increase your direct mail response.

The eye-stop sequence flows like this...

Eye stop #1: Their name and address.

Eye stop #2: Now the prospect's eyes travel up to return address.

Eye stop #3 Then they shift their gaze across to the right to see the kind of postage used.

As your prospect looks at each of these areas they begin forming perceptions about your letter and it's contents.

Any bad impression along this route could cause them to toss the letter.

On the other hand, with a bit of ingenuity you can increase the positive perceptions and curiosity as their eye briefly rest at each stop.

So let's take a look at how to use these subtle "response multipliers" to your advantage and avoid some common pitfalls.

Name and Address

Let's begin with the ideal.

Our goal should be to strive to have the name and address appear as if your letter came from one person to another.

That means you'll need to laser or auto-type the name and address – no gummed labels or poor quality bubble jetting. It also means that you get the prospect's name right... First, middle initial and last... Upper and lower case... And the right gender title.

That is the ideal. Anything less will have an influence on the results you experience. Of course, there are times where the ideal doesn't make financial sense. That is fine as long as you know that you are sacrificing some level of possible response.

Just don't make the mistake I see so often of going first class all the way and then killing the entire perception with a poor quality name and address.

Far, far, far too often I see mailers disregard the importance to the prospects name and address to their own harm. Just look to your own experience. Doesn't a letter with your name and address bubble-jetted in all caps instantly scream, "Junk mail!"

Small errors and lack of care in the way you address your letters will totally waste all the effort and expense you've gone through to give a letter a personal and high touch look.

People's names are important to them. Far more important in fact than they would ever tell you.

It's human nature to be interested in ourselves. When you get a group photo back who's the first picture you look at? YOURS!

This is why I urge and compel my clients to take the effort to get that name right. Take the oversight to make sure that...

- The gender titles match the name (More on this later)
- That your customer and prospect data is inputted correctly to start with
- You insure that any incorrect upper and lower case mistakes are eliminated...

And anything else you can do to make the name and addresses not only correct, but look attractive as well.

The Corner Card

Immediately after your prospect's eyes admire their name they travel up to the return address.

How you use the return address can have a great impact on keeping your mail out of the trash can and into the profits.

Just look at what you can use the return address to accomplish...

Number one: It can greatly increase the likelihood of them tearing that letter open. Or conversely, if not handled correctly, cause people to reflexively toss it into the trash.

Number two: Remember what we've reviewed about the power of expectation? Well, you can use the return address to add another touch anticipation.

Because the return address seems so common place and unimportant, it rarely receives the creative attention it deserves. But I've seen so many mailers shoot themselves in the foot with this aspect of their mailing sometimes it's hard to believe more focus isn't placed on the return address.

With that said, let's take a closer look at how you can put this little "response multiplier" to work for you.

There are 4 types of corner cards that can be used.

Traditional Return Address

First, the traditional return address corner card.

This is simply made up of your name or company name and the return address.

While it is fine for many mail applications, there are two conditions under which you may want to make some changes from tradition.

If you are going to a list of cold prospects and your company name telegraphs the industry, product or service you provide please consider dropping the company name and just go with a return address or your personal name.

Why?

Because often a consumer or business receives many solicitations from other companies providing the same service as yours. There is a good chance this will have already biased the prospect against your offer before they have even had a chance to open the envelope.

Some examples of this are...

Coast Real Estate
Insurance Pro's
Mortgage Specialist International

Peter Sanford Seminars
Carpet Kare Inc.

I could go on, but I think you get the idea...

In each of these examples you don't have to open the envelope to know what these companies are about. Unfortunately, that means that even if one of these companies has a unique, provocative offer the prospect would be interested in, the customer will never find out about it because the letter is headed for the trash the second their eyes hit that return address.

So to avoid that knee jerk "Seen it before, don't want it, not interested reflex", you need to devise a way to get around the prospect's protective armor. This can be as simple as leaving your company name off the return address.

It is a shame when you loose the battle before you even get to fire you're opening shot!

The other instance you may want to consider leaving your name off the corner card is if you heavily mail your list. Once again, the prospect thinks they know what you're offering before they are even into the envelope.

The logo corner card

The advertising corner card is when a company puts their logo in the corner.

Sadly, most companies to choose to go this route on all their mailings. Maybe they do it because they are proud of their logo. Perhaps it's because everybody else does it. Or possibly, they've invested so much in it that emotionally they feel they have to.

Very often companies choose this method because they believe in what advertising agencies call "cumulative effect", "awareness building", or "branding".

Whatever the reason companies choose this route, it is costing them valuable responses.

Now, even if it is considered "heresy" in corporate circles, I'll admit that I am not a big fan of the logo corner card.

I feel this way for several reasons...

First, mail is perceived to be a private and personal means of communication.

It is more private than advertising in print, radio and TV where everyone can see the message. With mail, the message is privately enclosed in an envelope and only your prospect can read it. It has his or her name on it. People use the mail to send private and personal messages.

As soon as you stick a company logo in the return corner, the prospect knows that this isn't a personal communication from one person to another. It becomes a letter from a company to a person. This is a big psychological difference that can immediately lower the prospect's expectations and work against the perception of personalization you should strive to create.

A second major pitfall of the logo corner card is what is called the "series effect".

Many companies use the same envelope style and logo no matter what they are mailing to customers and prospects. Remember, if you do this enough times the prospect's "Seen it before, don't want it, not interested reflex" kicks in.

What this means is that instead of your customer list becoming a valuable asset, it actually starts to decrease in value each and every time you mail.

Every time a corporation mails you the same envelope with the same logo in the corner they are lowering their chances you'll ever respond to (let alone open) one of their propositions. Read this paragraph again.

One way for you to defeat this "series effect" is to simply leave the logo off your next mailing.

Another is to use the third type of corner card...

Benefit corner card

You can create a benefit corner card by printing your company name rather than using a logo and then typing a short benefit statement directly below.

For example:

DBM Designs Inc.
Response Boosting Breakthrough
2262 Cherry Ave.
Long Beach, Ca. 90807

The objective is to let your prospects know that they have not seen this offer before. This can help inoculate you and your company against the series effect.

The benefit statement has the advantage of subtly building the customers expectation and increasing their interest in what is inside the envelope.

And once again...

If you feel that prospects will still be "turned off" if they see the company, industry or service you are representing before they've had a chance to open the envelope, then simply drop the company name and return address and simply use a strong benefit statement in its place.

Several examples...

Cost Cutting Ideas
A Unique Savings Opportunity
Double Your Profits In 90 Days
7 New Business Growth Ideas
\$\$\$

Let me say it again: Small changes can create big differences. Even these changes are only a few short words in a small, overlooked space; the differences in response can be shocking.

You should use the opportunity to create a return address that builds curiosity, interest and eliminates the series effect.

The customized corner card

If you have an accurate database you can create customized corner cards for each customer.

This tactic can really boost both opening and response rates.

One innovative Australian company printed envelopes that had what looked like a newspaper clipping printed where the corner card should be. It included the company name and prospect name in the ad's headline and body copy. The mock article started to describe how the prospect made his company a fortune by using ideas from a seminar that he had not yet attended!

You don't need to do anything that involved (unless you really want to make a lot of money, quickly).

However, by putting your imagination to work (and a little assistance from a sophisticated list management or mail house) you can create some innovative effects that are sure to increase response without increasing cost too much.

To help stimulate your imagination, there are some interesting ways you might be able to use a customized corner card shown on the following page.

**John, I think you will find
these business growth
ideas fascinating!**

**How Bill Smart can save
\$200 a month.**

**A little known secret that
will let Bob and Suzy Smith
own a home of their very own**

**What the IRS doesn't want
Peter Senge to know about
this important loophole**

You've got the idea; so, let's move on to the final eye stop...

Postage Part 2

It is hard to believe that something as simple and common as the postage you use can increase response, but it definitely can make a difference.

Here is a general guide to the order of effect that different postage can have on your response rates.

Stamps

- #1. Multiple stamps
- # 2 Commemorative
- #3 Standard first class
- #4 Bulk rate

Metering

- #1. First class
- #2 Bulk

Printed indicia

Almost without exception a “live” stamp creates a much better "value perception" than any of your other options. It's seen to be both more important and more personal. If it is cost effective, use it.

In fact, if it is cost effective you may want to experiment with multiple stamps. I've had many clients find that multiple stamps out-pull any other combination.

If you can afford to wait a bit longer for a reply to your mail, bulk rate stamps often pull better than first class meter.

You have most likely heard this next bit of advice before but let me repeat it here. If you are using a first class meter, be sure to let your prospects know that it is first class. At first glance it is difficult to tell a first class meter from a bulk meter. A red stamp saying "First Class" will make sure you get the impression you are paying for.

And finally, if you have the opportunity to use a commemorative stamp that relates to an interest of a customer or prospect list, you should take it. Stamps with dogs or cats or birds on them would be great for a list of pet owners, flowers for list of green thumbs and antique automobiles for the auto enthusiast, etc. These have proven to lift response far more than the cost of acquiring them. They add an extra spark of interest

Where to place teaser copy

Now that you understand the way customers look at an envelope, you have a clue as to how to make your teaser copy more effective.

If at all possible you should place the teaser copy right in between the name and address and the return address. This places it right in the natural path of the prospects eye stops, which increases the likely hood it will be read.

The second best placement of teasers and graphics is between the return address and the postage.

Finally, the worst placement of teaser copy on the envelope is to the right of the name and address. It doesn't leverage any of your prospect's habits. In fact, you are making the reading of it an unnatural act because they have to go out of the way to read it.

The back of the envelope

Dr. Vogles research on eye stops turned up another fascinating insight into prospect behavior.

If there is teaser copy anywhere on the front of the envelope, customers automatically turn the envelope over and look at the back. You see, the customer's interest is aroused by the teaser copy arouses the customer's interest for more information to feed that curiosity.

This little quirk in human nature presents you with another chance to heighten the customers' expectation and precondition their mind to be receptive to your proposition.

The back of the envelope presents a lot of sales opportunity to a mailer with an imaginative mind.

So, if you are going to use teaser copy, don't miss this chance to increase your response rates.

Synergy

It is important that all the elements of your envelope and letter work together.

Too often I see a company spend the time and effort to go for a personal look and then ruin the effort by using a printed indicia, poor envelope paper quality, cheap printing or print the customers names in all capitals.

What an unnecessary waste.

As the old proverb goes, "Sometimes common sense isn't all that common".

Please, spend the small amount of care and attention it will take to make you letter look right. Make all the elements match each other and don't lose lots of money by trying to save a little bit of money.

Now, just as small changes can produce large positive results, small errors can produce big negative results.

Let's take a look at some common errors that even experienced marketers make and see not only how we can avoid them, but how we can use these data base dynamics to our advantage.

The big negative consequences caused by little errors

The list you choose to mail to (whether customer or prospect) is without a doubt the most important element of direct marketing. Test after test shows that your choice of list can make a 1000% difference in your response rates.

Even when two lists that on the surface appear very similar one can out pull the other by 400% or more.

That's leverage!

And that is why a small change in either a prospect or customer list can really influence on your response rates.

With the goal of discovering how we can put list leverage to work for us, let's examine the negative consequences of 6 common errors that can create havoc for your company and find ways to eliminate these parasites.

Number One: Wasted money

The first bad consequence of errors in your customer list is the waste of money every time you mail. Every single duplicate, bad address or miss addressed you mail is lost money.

The only people who benefit from this expenditure are your list house and the United States Post Office.

Unfortunately, many mailers have no idea how much money they are wasting every single time they mail.

To illustrate this point, let me share with you the worse case of "the duplicates" I've ever seen. While it is an extreme example, it will bring to light some important issues about data base management that impact all direct mailers.

This list was made up of real estate salespeople and it was a mix of industry peculiarity and poor data base management that created close to a 50% duplicate rate.

Here are the dynamics that were at work and some suggestions for you to implement with your data base policy to prevent them from happening to you.

First, Realtors jump from one company to another like they are playing musical chairs. This created two problems...

A) Many good customers were lost when they changed companies.

B) If they would call in on their own initiative to order a new product, a salesman would often not delete the previous record creating another duplicate.

The next problem was the many ways the company, name and address could be inputted into the database. This was even more of a problem than other industries because many of the real estate companies are franchises.

Here's how many different ways the same Realtor could be inputted into the data base...

John Smith
Century 21 Real Estate

John Smith
C-21

John Smith
Century 21 Parkside Realty

John Smith
C-21 Parkside

And those combinations don't even include mistakes with the customer name (we'll cover those in just a minute)

All these errors meant that this company was throwing away half it's mailing investment and getting terrible returns. If they mailed \$10,000 a month, they could take \$5000 of that and just toss it into the street and get the same results.

Again, while this is an extreme example, it brings to light a lot of the costly errors I see on even well maintained list.

That is why I encourage companies to take the following precautions with their database.

First, establish and enforce a strict company policy on how names and addresses are to be entered.

Second, limit the number of folks who can make changes to customer records to just a few well trained staff members. If you have a large sales or telemarketing force that can change records on their own initiative you're going to end up with a mistake and duplicate ridden list.

Third, if you are a business to business mailer, make every effort to get your customers home address. This is especially true if you are dealing with any kind of salesperson, mortgage broker, real estate agent or insurance agent list. These personalities change business addresses often.

And fourth, at least once a quarter aggressively screen your database for duplicates and name errors. They can get on your list very easily and can be tough to get rid of without the most sophisticated software programs.

Number Two: Lower response rates.

Obviously, the more bad names you have, the lower response will be to your mailing. This lost response is critical if, like many mailers, a 1/2 percent increase or decrease in response means the difference between success and failure — break even and a healthy profit.

Take the real estate example from the previous section. If they were mailing 10,000 names and getting a 1% response, then eliminating the close to 50% duplicate rate would jump their response to 2% at half the cost.

In most situations I discover about 4% to 7% of the names on a list are duplicates and about another 2% to 3% are non-deliverable. That makes a total of 6% to 10% of the names on an average list are hurting your response rates.

Eliminating these errors means an immediate 10% increase in response rate for a 10% cost reduction.

Number Three: Customer attrition and replacement cost

It only takes a small computer input error to make a name undeliverable or for your letter to offend the customer. And it is easier than you may think for these small errors to creep into your list.

You see, there are many different address and return address components that can go wrong every time you use your list.

With that many different items to keep their eye on, it's easy for those little errors to get into your list unnoticed.

I'll cover some of the causes of those errors in a little while, but what I'm concerned with here is the negative consequences to your business of those errors.

Good customers who don't get mailed your offers; communications and propositions become ex-customers.

Their value fades every single month they don't hear from you.

Simply put, if they don't get mailed, you lose a customer.

And you don't just lose the profits on a single purchase, but all the purchases they could make in the future as well.

Even more costly is what it cost you to replace that lost revenue by finding new customers.

Marketers have discovered that it cost 5 times as much to acquire a new customer as it cost to sell an existing one. For every dollar you lose from an existing customer, you now will have to spend \$5 to find a new prospect.

And all this expense is unnecessary because with the right know-how you can avoid and correct many of the mistakes that cause you to unknowingly lose those valuable customers.

Number four: Damaged credibility and respect

It is quite possible to get your mail delivered and still lose big.

How?

By offending your customers or damaging your credibility.

And watch how easily this happens...

If you are a man named Jeff Jones and your mail is delivered as Mrs. J. Jones, how do you feel about the company who mailed you that letter and the proposition they are offering you?

Even if it is a company as respected as IBM or Federal Express, yet because of a small computer error, they keep sending mail to Mrs. J. Jones you would start to lose respect, wouldn't you?

If you are a typical customer there are at least three feelings you will probably have about the offending company.

- 1.) They can't care that much about you personally.
- 2.) They probably don't have their act together.
- 3.) If they can't get your name right, can you really trust them with your business?

Let's face it. Our name is important to us. In fact, we pay to have it embossed, embroidered and imprinted on clothing, pens, special books, coffee mugs, etc.

If you want to see just how important someone's name is to them, go to a seminar and watch folks reactions when they get to registration and discover that their name has been misspelled or the wrong title is by it. They will throw a fit.

We discussed earlier how research has shown that when a person picks up an envelope, the first place they look is at their name. So, I don't care how much you paid a copywriter to craft the letter inside or how compelling the proposition, **if the name is wrong, everything is wrong.**

And there are a lot of little ways to make mistakes on someone's name. You can call...

Misters — Mrs.

Doctors — DDS
Jons — Johns
Peters — Pete
Jacobs — jacob
And much more

And what's bad about these types of errors is they not only cost you the immediate sale, but future sales and goodwill as well.

Here's another common error that can have a negative on the respect and trust a customer has in your company...

One of the most common and preventable list errors is duplicates (when two or more of the same pieces of mail gets mailed to the same customer).

For example: Our friend Jeff Jones may get these three letters in his mailbox...

- 1.) Mr. Jeff Jones
- 2.) Mr. J. M. Jones
- 3.) Mr. Jeff M. Jones

Remember, all of those letters arrived on the same day and with the same offer!

What do you think this guy is thinking about the company who mailed him this barrage? What about the offer they are making him? How will this affect not just this purchase but his purchases in the future as well — especially if this is the third time in the last two months this company has done this to him?

So, let me repeat: Nothing can damage your goodwill and credibility faster with a customer than making a mistake with their name or mailing them multiple letters for the exact same offer. It telegraphs the message that this is just another mass mailing using computer generated letters.

And even worse...

If mistakes are made with customer's names — and they're mailed duplicates.

After mailing millions of letters for clients, I can tell you that these very errors are much more common than you would imagine — even on a well maintained list.

The cost to your business in lost profits, customers and response is truly staggering.

Please, don't be one of the companies that make these easily avoidable mistakes!

Make sure that every letter you send looks like a personal communication from one person to another.

Even if you have a database with tens of thousands of names, you should strive to send each customer the same type of letter they would receive if they were your only customer.

Number Five: Lost list rental value

One of the advantages of possessing a great customer list is the added revenue you can bring in from renting the names and doing joint ventures.

Sadly, each and every little error, duplicate, name and address mistake and duplicates decreases the value of your list to would be renters and partners.

Once again we see that small errors can cost big profits.

Now let's examine one of the biggest hidden cost these errors can cost you...

Number Six: Lost leverage opportunities from new mailing strategies.

A list riddled with errors will prevent you from taking advantage of some of the most response and profit-boosting strategies available.

There are some great strategies that sophisticated mailers are using to dramatically increase their response rates. Yet with a poor quality list, these high-impact strategies are totally neutralized.

The reason why is this...

These new strategies all depend on an appearance of real personalization. They create the perception that each customer is getting a "one-of-a-kind" personal letter from the company.

Yet, if you make errors in a customer's name or send them 2 or more of the same "personalized" letter, you've just destroyed the perception of caring and personalization.

That means that you are stuck using less effective mailing strategies. It may also mean that your competitors can create an impression of caring and professionalism that you can never match unless you increase the accuracy of your list.

In Summary...

If a good direct mail letter is salesmanship in print, then we need to heed the following...

Any good salesman knows that everything has an influence on the customer's buying psychology. How he approaches and establishes contact, how he dresses, how he talks, smiles and builds rapport. A great sales person is serious, confident, well groomed. How well does your letter stand up to those standards? Everything in your package, especially the first impression and expectations, exert a dramatic influence on the mind of the customer.

What would you think of a salesperson who showed up in your office wearing a polyester leisure suit and repeatedly got your name wrong? Would you trust and believe what he said? Would you even hear what he said? Would you be focused on what he was saying? Would you take his word as important and credible? What impression would he create for the company he represents? What if he was asking you to do something that required you to place a lot of trust or money with him?

Well, your letters are your salesmen. They are ambassadors for both you and your company.

They can increase response rates, or they can damage the image and reputation of your company.

The choice is yours.

Choose wisely!

Dan Buckley

***Important:** If you would like a personal, free consultation from Dan Buckley you can reach him by calling his assistant, Cari at (562) 531-6767 or by emailing cari@dbmweb.com