



June "Second Wednesday" General Membership Luncheon

Financial Services: Using Demographic Data To Increase Profits From "Invitation-To-Apply" Programs

Invitation-to-Apply (ITA) prospecting in the financial services industry can yield mixed results. How can you better estimate, at the beginning of a campaign, who will turn out to be a good customer? What can be done to mitigate the risk in ITA response?

Utilizing a case-study approach to illustrate the "good, bad, and ugly" of ITA prospecting, Jeffrey Anderson, a senior analyst with Equifax Marketing Services, will explore how to increase profits by effectively using available demographic data. This interactive presentation will highlight some of the latest developments in using ITA programs.

Hosted by CADM's Financial Network Special Interest Group, this luncheon event is open to the CADM community as well as guests and clients.

What: "Second Wednesday" Membership Luncheon
"Financial Services: Using Demographic Data to Increase Profits From 'Invitation-To-Apply' Programs"

Speaker: Jeffrey Anderson, Senior Analytic Consultant, Equifax Marketing Services

Host: Financial Network SIG

Sponsor: New Control

When: Wednesday, June 14, 2006
11:30 a.m. Cash Bar and Networking
12:00 p.m. Luncheon and Program

Where: The 410 Club, (in The Wrigley Building)
410 N. Michigan Ave., Chicago, IL

Fee:	Member	Non-member	Financial Network SIG Members
Before 6/10	\$44	\$49	\$44
6/10 to 6/13	\$49	\$54	\$44
Day of Event	\$54	\$59	\$44

To register: Call 312.849.CADM (2236) or visit CADM's web site at www.cadm.org



Country Club Day – CADM Golf Outing

Friday, July 21, 2006

Bloomington, Illinois

Indian Lakes Resort

See page 7 for details!

June/July '06
vol. 12 issue #7

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Six Reasons Why Direct Mail Marketing Fails

By Sarah Perry, The Pepper Group

In today's multi-tasking, message-saturated world, executing a successful direct mail marketing campaign to generate new leads has become much more difficult.

When you consider that in the last 10 years, the average number of sales messages that your potential customers are exposed to per day has tripled to 3,000, it's no wonder that response rates for direct mail are dropping.

However, executed correctly, direct mail can still be an excellent way for many B2B companies to reach prospective new customers and build sales. Not only does it give you the ability to deliver a targeted message to a specific audience, but it's

also personal, cost-effective, and directly measurable.

Can direct mail marketing still work? Absolutely! But it takes good planning, experience, and professional attention to avoid the six direct marketing pitfalls below.

1. A Bad List

Direct marketing should be just that — direct. Your list is one of the most important pieces. It should at least provide the ability to target by SIC code, geographic area, and company size. Better yet, a good list allows you to sort by detailed demographic and psychographic criteria.



Sarah Perry

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Six Reasons Why Direct Mail Marketing Fails *(Continued from page 1)*

“Your value proposition is the message that embodies what you will do for them, why your company is the best equipped to handle it, and what differentiates you from the competition.”

Always target the decision makers and, if at all possible, have their full names. A mailing sent to John Smith, VP of Sales, that says “Dear Mr. Smith,” will always get a better response than one generically sent to “Sales Manager.”

Also, make sure your lists are as clean as possible. Recently a co-worker of mine received two identical pieces of direct mail, one printed with just his first name and one printed with both first and last. This is wasteful and reflects poorly on your company. Ironically, that mailer was for a company that was selling accurate mailing lists! I guess we won't be using them.

2. Boring Creative and Design

Remember, you're sending something to a decision maker who probably receives a lot of offers on a daily basis. If your mailer is interesting, it stands a much better chance of getting attention.

Do you really open every envelope you get that says Special Offer – ACT NOW!!! I'll bet, however, that when you receive a box, or some piece that piques your curiosity, you may spend at least a few seconds to see what it's all about. Of course, it doesn't have to be dimensional; it just has to be creative so it is interesting and memorable. If not, you have no chance. But at least you saved money, right?

3. Lackluster Copy

Your chance of success depends on how much of the mailer they read. Five times as many people will read the headline as will read the copy, so it must be strong. Also, shorter paragraphs get higher readership. Start off with a very short (less than a dozen words) opening paragraph. This gets them into your message quickly.

Once there, make it easy for your reader. Left and right justifying paragraphs will make your copy hard to read, and typing in all caps will reduce your readership by 25%. And please, don't use black type on a dark-blue background, or yellow type on white. An amateur designer may think it looks cool, but 33% of your readers won't even bother.

4. No Value Proposition

Before executing a direct marketing campaign, it is critical to create a clear, compelling value proposition that you will communicate.

Your value proposition is the message that embodies what you will do for them, why your company is the best equipped to handle it, and what differentiates you from the competition.

Because this is direct targeting, remember you can customize this value proposition to the recipient. While your message to the CEO might focus on the bottom-line cost-savings aspect, your message to the plant manager might focus more on efficiency gains.

5. No Credibility

Let's face it. Nobody starts at the top. Perhaps your targets have not yet heard of your company, or they don't associate your company with the offer you are making. Well, you need some credibility to have any chance of success. Prospects will infer your credibility from a number of clues.

The piece itself is one clue. A professional-looking piece reflects your image as a professional company. Other clues they will use are PR and branding. Have they read about your company in a trade magazine? Do you have article reprints, white papers, or success stories to share?

What about your web site? Did you know that 60% of purchasing managers review company web sites before making up their short list? If your site is anything but top-notch, who knows how much business it is costing you.

6. No Follow-Through or Call To Action

Just like asking for the order in a sales call, a clear “call to action” should be contained in the message. Is it to send back a reply card for a free gift? Call for a free sample? A special discount if they buy soon? There should always be a clear action that is requested, with a deadline. Otherwise, why are you sending it?

Equally important is follow-through, because in most cases, this is what usually closes the sale. The follow-up can be in the form of an ongoing campaign or a phone call. Usually, you can expect about 50% of the original response rate on a second mailing executed within one month of the first.

Phone call follow-ups are among the most effective in B2B direct marketing. The focus here is to set up an appointment for a salesperson. Of course, don't start the conversation with “Did you get my mailer? No? OK, well...”

That's some general advice, but in reality, there is a lot more to a successful campaign than what I'm able to write here.

In my own experience, as well as countless case studies, the best results are obtained when the entire campaign is viewed as a whole, with dedicated resources. Direct marketing is getting harder and harder, and it is easier than ever to throw money away in the name of saving it. But with the right help, proper planning, and smooth execution, your direct mail marketing program can be a resounding success. ■

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