



INDUSTRY
INSIGHTS



Piece By Piece: Mailing Smarter in Today's Market



Direct marketing costs vary greatly from one campaign to the next and your committed budget will largely be determined by a variety of elements: mail quantity, data selection, mail piece, print cost, the level of personalization, and the good old USPS rate.

Aside from the obvious quantity differences, what greatly impacts cost is the offer format you choose to go to market with.

At the low end is the #10 envelope which can be printed for less than \$.60 per piece. At the high end is the multi-insert letter package or a multi-page catalog.

Your message can be delivered in many formats and the level of complexity of your product or service often dictates the format. MeritDirect advises that you allow your *objective* to determine the mail piece format, not your budget.

Problem: A Direct Mail Marketer in the athletic supplies category, was struggling to acquire enough new customers, while meeting growth targets at an acceptable cost. Marketer had a very high end mail piece and was starting to realize that the over-investment in their book was limiting the number of pieces that they could actually put in the mail. MeritDirect worked to develop a circulation strategy that would allow our client to continue to send out a direct mail offer, but in a more cost effective manner that would allow them to support and grow their prospect mailings.

New Strategy through Analytics: After identifying the key concerns of the client, the MeritDirect team did extensive analysis to better understand the Marketer's current customers, their offer format, and their ideal prospects. The ultimate goal was to identify how we could:

1. Improve customer file and prospect targeting
2. Optimize circulation and acquire new customers in a cost effective manner
3. Improve contact strategy around number of touches a contact receives

Outcome: By creating a more targeted customer file segmentation approach, the Marketer was able to allocate

more circulation (and budget) to their prospect efforts. In a goal to minimize postal costs, Merit recommended that this Marketer employ a slim-jim format that decreased their book and postage costs significantly. The cost savings in the mail allowed the client to improve their contact strategy, by mailing contacts 4X as many pieces compared to previous years. These changes yielded the following results:

1. 28% Increase in customer sales
2. 77% Increase in prospect sales
3. 44% Increase in contribution

Drive strategic decisions through analytics. Every direct mail program has room for improvement. Keep in mind that extravagant is not always better. A yearly audit of your go to market strategy will allow for a closer examination of campaign performance and format effectiveness. Don't be afraid to test different formats in a strategic manner to better understand what will help you maintain and expand your direct mail business.

Data.Digital.Analytics.

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