



20. The Direct Approach

addressed to you, a catalog full of stuff that interests you, and a Web site that you enjoy visiting.

But that's the end point. Let's start at the start.

There are three critical factors in effective direct marketing.

WHO/WHAT/HOW.

These are the three critical issues:

- **WHO** is the most important thing.
- **WHAT** is the next most important thing to think about.

- **HOW** is the third most important thing you need to think about.

Let's take them one by one:

“The List” – the most important thing is WHO you are talking to.

The first truth of direct marketing is “you’re as good as your list.” You will have the best results with the best prospects.

That's why the first thing you need to be concerned with in direct marketing is how you're going to connect with the right people.

Direct marketing is expensive on a per-person basis. With postage, a good mailing could cost \$1 a person – or more.

So... one of the first big jobs is making sure we're talking to the right people. Now you know why lists are so important. But wait, there's more...

Often, some of the best lists are those of people who are already customers. When someone is already a customer, or has already responded once to a certain appeal, you know even more.

The better you know who you are marketing to, the better you will be able to design your marketing appeals and the more effective your end result.

Now you know why the right list is critical in getting your effort off to a solid start.

ANATOMY OF A DIRECT MAILING.

Here's a mailing we got from Bose, one of the smart direct marketers.

Let's look at a recent mailing:

1. The Envelope.



The objective of your envelope is to get your mailing opened for the right reason. This one asks the question “Why Go Another Day Without Great Sound? Presenting the Bose 12-Month Payment Plan.” With a tasty photo of the Bose CD/Radio. Nice paper, too.



2. The “Wow!” Letter.

Open the envelope, and there's a nice letter – typed on both sides. The letter is mostly about the offer. (They assume we know about the radio by now.)

The “exciting information” is about an easy way to own the Bose radio.

The appeals are things like “Act Now and Enjoy Free Shipping.”

They add up other “savings” like “No Interest” and “No Prepayment Penalty.” But wait, there's more...

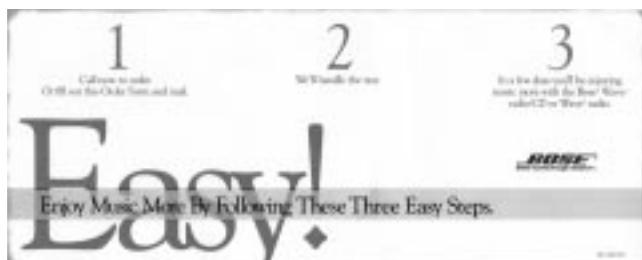
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BOSE ANATOMY (Cont.)

3. Inserts.

The "Easy" insert lets you know that getting the Bose into your home (their objective) is easy as 1, 2, and 3.



When you open it, you'll find an easy-to-fill-out form – and an 800#.

But there's more in the envelope – something else to give it a lift...

4. The "Lift" Note.



Just in case you haven't heard everything you need to know about the radio, here's a simple but classy brochure.

On the outside, a testimonial, "*Without a doubt, the finest sound I've heard.*"



If you don't do that, everything else is pretty much wasted. Right?

"The Offer" – the next most important thing is

"WHAT is the incentive?"

Sometimes the inherent appeal of the product itself is enough.

For example, the Bose Radio.

It looks nice, it sounds nice, and they just sent you a message with your name on it.

But Bose knows they have to do more.

For example, they're going to let you try it FREE. And, they're going to make it easy for you to purchase by offering easy payments.

See what they're doing? In addition to positive incentives, like telling us what a fine radio this is, they're reducing or eliminating barriers.

In fact, that's their biggest job.

And their offer – easy payments and no interest PLUS the Free Home Trial – is designed to overcome those barriers.

"The Message" – Finally, be concerned with HOW you communicate all this

This is also critical. *But remember;* if you're not talking to the right prospects, and if you don't have the right incentive, your good writing will not be as effective.

That said, let's look at what makes good direct. What makes it work?

LESSONS OF THE PIONEERS

Here's what John Caples (remember him?) and Bob Stone, one of the founders of the modern direct marketing industry, have to say.



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Caples learned many of his lessons when postage was 3¢. People had more time, got less mail, and probably paid more attention to ads.

So you may not get the kind of responses Caples got 50 or more years ago, but the basics are pretty much the same. Here are some of his thoughts...

"Times change. People don't."

Words like 'free' and 'new' are as potent as ever. Ads that appeal to a reader's self-interest still work.

People may disagree about what self-improvement is important, but we all want to improve ourselves.

Ads that offer news still work.

The subjects that are news change, but the human curiosity to know what's new doesn't. These appeals worked 50 years ago. They work today."

Bob Stone adds these thoughts,

"Strong words like 'how,' 'what,' new,' have staying power.

They're flags, catching readers' eyes.

What counts, beyond words, is the hypothesis on which the headline is based – it must be based on a solid reason to buy."

Stone throws out a few more thoughts...

"Aim for orders, not just inquiries.

There's a big difference between curiosity seekers and customers, and you can't afford to forget it."

"You have to find your product's dramatic differences and link them to your prospects' needs and wants. And you must communicate in a one-on-one style that's readable and believable."

"There are only two reasons why people buy anything: to gain something or protect what they already have. Keep that in mind, and you're on the way to overcoming human inertia."

BOSE ANATOMY (Cont.)

On the inside, we can read some clear, classy "reason why" that tells us "we will enjoy music more."

That's the consumer benefit, our enjoying music more.

Patented technology is the reason why. There are more testimonials, reviews from audio magazines and more...

5. The Closer.

On the back of the brochure is "The Closer." An "Absolutely No Risk Involved Guarantee."

There's an envelope, too.



6. The BRE.

"BRE" stands for Business Reply Envelope. Bose makes it as easy as they can for you to pay the way you want to pay. So even though they know a high percentage will use the 800#, in direct, you have to play as many percentages as possible, to maximize your return.

A Quick Review.

Let's think about this mailing again.

Obviously, Bose has been doing this for a while (in direct, respect survival) – so what is their current objective?

They know that if they can get the Bose into your home, a combination of your satisfaction with the product and the hassle of returning it will make their direct marketing a success.



A BASIC OFFER CHECKLIST:



Here's a partial list of offers from Robert W. Bly's excellent book – *Power-Packed Direct Mail*.

- Free Brochure
- Free Booklet
- Free Catalog
- Free Newsletter
- Invitation to attend a Free Seminar
- Free Trial
- Free Use of a Product
- Free Product Sample
- Free Gift Certificate
- Free Consultation
- Free Estimate
- Free Cassette Tape
- Free Videotape (or CD or DVD)
- Free Gift (for providing names of friends who might be interested in offer)
- Free Special Report
- Free Sample Issue
- Send No Money Now – we will bill you
- Money-back Guarantee
- Enter our Contest and Win
- Enter our Sweepstakes and Win
- Enter our Drawing and Win
- Discount for New Customers
- Free Gift Item
- Surprise Gift
- Order Now – we won't bill you until...
- Order X amount. Get Y amount Free
- Free Membership
- Send No Money – pay in easy installments (Note: this was Bose offer)

"You start with several hypotheses. Each is tested with an ad that runs in a medium that reaches the right audience.

And the testing must be done within a narrow time frame."

Bob Stone

THE IMPORTANCE OF MAKING THE BEST OFFER.

When a baby joins a family, a new mother is usually made an offer by the company that makes Gerber Baby Food – Send us your name and address, and we'll send you coupons good for *Seven Free Jars* of Gerber Baby Food.

Gerber figured out this was the optimum offer.

Fewer jars would get less response (Would you go to all that trouble for one little jar?). And with more than seven jars, the incremental cost of that extra jar would not be worth the incremental response.

That's a simple example of developing the best offer. Yet working out the optimum results through test mailings and measuring results can be difficult and time consuming.

Direct marketers work very hard to find out exactly what works best. Then they stick to it.

TEST. TEST. TEST.

One of the things you're always trying to do in direct is try to get smarter. Often, you have to get smarter just to survive.

And once you do find something that works, you stick with it until you can prove something else is better. Direct marketers don't get tired of old ads – not if they keep working.

It's worth repeating. In direct, respect results.

Good offers pull better. Strong, clear benefit statements work better. Making it easier helps, too.

Try to find something that touches a nerve and makes a connection with the reader.

It worked then and it will work now.

TESTIMONIAL. TESTIMONIAL. TESTIMONIAL.

One of the best types of messages you can deliver is one from satisfied customers.

Good testimonials usually make good copy. It's a form of "third-party endorsement."



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After all, what advertiser doesn't have good things to say about their product?

Often the reader can relate better to a testimonial – because that person has a lot more in common with the reader than any advertiser ever will.

Think about lines like... "*I needed to lose weight.*" "*I was skeptical.*" "*We were paying too much in interest on our credit card bills.*"

Statements like that often make a better connection than eloquent advertising copy.

And if you have a testimonial from an expert, like a reviewer or an industry leader, better yet.

BUT WAIT... THERE'S MORE!

Many of these ads use something called "The Turn" or "The Closer."

It sounds like a fairly good deal – that's when it's time to make it a better deal.

Set the hook. Often just the offer isn't enough.

Even Gerber, with seven free jars of baby food, offers mothers more. Advice lines. More coupons. Feeding tips. And so on. It's all part of Gerber's CRM – Customer Relationship Management.

RESPONSE AND CONVERSION.

Not everyone who takes you up on a Free Trial Offer – or even seven free jars of baby food – will become a permanent customer.

In "two-stage offers" (try and buy), the percentage of people who respond and buy is called "conversion rate." A high conversion rate is good. A low one, bad.

My friends at JuriSearch discovered that when lawyers who responded to their Free Trial Offer also took the tutorial (renamed "Fast-Track Productivity Training"), their conversion rate was two-and-a-half times greater. Wow. Big difference.

So, we turned that Free Trial Offer into a "Free Trial with Free Fast-Track Training Session (a \$50 value)."



THE CRAFT OF CATALOGUE WRITING.

Direct marketers like Lands' End know how to make money from sending you a catalog of their goods.

Each square inch of that catalog has to earn its way – either by generating income for the item or by keeping your interest (some of the super-deluxe items featured in catalogs are really there for entertainment value – though even those \$2,000 + items do sell).

A Rule of Thumb.

How much do you need to make on an item to make catalog sales worthwhile?

There's a "rule of thumb" in direct that says cost-of-goods should be about one-third to build a good business.

That means if you offer it in a catalog for \$33, your basic cost should be no more than \$11.

You should also remember that direct marketers generate significant savings by not having the expense of a store or salespeople – so, if they're efficient, you still get a pretty good deal.

Your Assignment.

Pick up some catalogs and study them.

Hey, you might even find something you like. And if you buy it, you'll get to experience a little "CRM" as they work to maximize your "LTV."

See, now you can speak direct.



CRM – THE PAYOFF.

"Your payoff comes with repeat business. And whether or not a customer sends in a repeat order depends on the product."

"If it delivers what the ad promised, there's a feeling of good value."

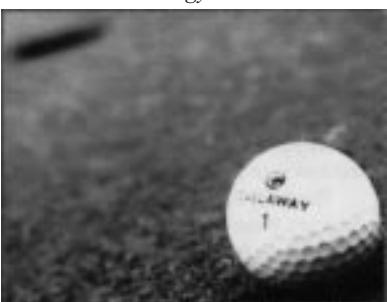
Bob Stone



Soloflex. The Original. They built their business with infomercials. Call Now!



Philips Electronics used the long form of an infomercial to explain their new television technology.



Callaway Golf sold expensive golf balls on outlets like The Golf Channel.

GOT HEADPHONES?

You'll be doing a lot of business on the phone – might as well get good at it.

I've recently discovered telephone headphones can help – you'll spend less with your neck all scrunched up trying to keep the phone tucked in as you type.

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You had to take the session to get the Free Trial.

The point is, some appeals, incentives, and behaviors result in better conversion levels.

And that's the point of direct – figure out what it's going to take to get people from A to B.

Anyone can give it away. You need to begin a sequence where the right people do the right thing for the right reason with the result of conversion (the sale) and the beginning of a relationship.

OTHER FORMS OF DIRECT.

A lot has been written on these topics – so it's silly to try to do it in just part of one chapter.

So we're just going to summarize very briefly.

Here are some of the other categories of direct:

DRTV (Direct Response Television) covers all those infomercials you see and shorter TV spots as well. If the purpose of the spot is to get you to respond – usually by calling an 800# – you're seeing direct marketing at work.

Telemarketing.

Inbound telemarketing is where the customer (you) responds to an 800# and calls.

Outbound telemarketing is where someone calls you – usually at dinner.

Radio. Though almost 50% of all radio commercials feature some sort of response mechanism (an 800# or store address), for a variety of reasons, radio is not currently regarded as a very good response medium. Though, for certain "hot" products with good margins, it does work.

The Internet. This is the new direct medium. From e-mail-based direct mail to doing business on Web sites, the Net is viewed, in many ways, as a whole new platform for direct marketing.

Hmmm.



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Assignment #24:

THE INITIAL OBJECTIVE is to get you thinking about how to work effectively in direct. You may want to do some of these exercises, or you may just want to think about doing them.

1. The “Sweet Spot” Letter.

Here's an exercise from *Hitting the Sweet Spot*.

Write one (or both) of your parents a letter telling them why you need to stay in school one more year.

Think benefits. Think reason why. Think about reducing (or eliminating) barriers to agreement.

2. Create a Catalog.

Think of stuff you like. This should be easy, you've probably got a room full of it.

Put some of that collection into a catalog.

Name your catalog and write the cover copy that will make people want to read what's inside.

Now, pick an item or two and write brief but appealing copy for that item.

3. Offer Development – Season Tickets.

Your assignment is to sell season tickets.

It can be a campus sport team, a theater group, or a concert series at a club or venue.

List things you can add to make your offer more appealing and a better value.

Try to have at least five ideas.

Is there a “turn” or “closer?”

What can you do to encourage the reader to act immediately?

4. Create Your Own Database. Do a Mailing.

You've probably already got one.

It's in your address book or PDA – or maybe it's already in a computer file. Better yet.

Your assignment is on the next page. And you really ought to do this one.

START SAVING YOUR MAIL.

Not all of it. But if you get a mailing that you think is above average, save it.

If you see a catalog that almost makes you want to spend your money, keep it.

Start to evaluate how the best direct is working on you.

If you see some mailings more than once, give them new respect – something about those mailings is working.

Try to figure out what it is.



Find your Target. I often buy hard-to-find jazz records. Guess who finds me?

EVERYTHING FOR THE JAZZ ENTHUSIAST!
The Jazz Store[®]
140 20th St., Ste. 200 • New York, NY 10010
www.TheJazzStore.com



Today, technology can turn you into a direct marketer. With the right list, the right software, and the right business model, you can make almost any business better – using the direct approach.



BOOKS ON DIRECT:

These days, all you need is the title or the author's name. Some of these books may be out of print, but they are usually available through an online book service – or the Direct Marketing Association, www.thedma.com

Direct Mail Copy That Sells
by Herschell Gordon Lewis

Power-Packed Direct Mail
by Robert W. Bly

Direct Marketing
by Edward Nash

Being Direct
by Lester Wunderman

Tested Advertising Methods
by John Caples



A. Clean Up Your Database. Check the entries, add updates. Double-check a few that are in doubt.

B. Design a Mailing. It could be:

- **A holiday card.** Design a card for an upcoming holiday. It could be a big one. Or not.

- **A family announcement.** A new puppy, an award, photo of the family. Whatever.

- **Your own newsletter.** Design a masthead.

Write about how you're doing, scan in a photo or two, add a few fun facts, a family update, and perhaps some commentary. Proof it. Print it.

- **A fund-raising letter for a worthy event.**

Maybe you're already involved in something that deserves support. A walk-a-thon, an upcoming charity event. A fund-raising effort. Well, don't just sit there, write a letter asking for funds.

And don't be shy about it.

C. Add a Response Mechanism.

It may be as simple as just listing your phone number and address, or there might be something more you can do – particularly if you're doing the fund-raising version of this assignment.

D. Get the Envelope Right.

Get the right size envelope. Print labels, or figure out how to print *on* the envelopes. (If you do that, try to add some additional copy to the envelope.)

Get cool stamps. (The Post Office should have nice-looking commemoratives). Or, if you've got a lot of them (100 or more), find out what how to get a quantity mailing rate. (You'll be smarter knowing what's involved.)

E. Do Your Mailing. Stuff. Seal. Stamp. Send.

F. See What Happens. You'll hear from people you haven't heard from in a while, you'll probably even get a phone call or two. Congratulations, you've just done a direct marketing campaign.