



## Direct Mail

America has a love/hate relationship with direct mail, otherwise known as "junk mail." It's in our mailbox virtually every day. If it weren't for junk mail, some days we would get no mail at all. Some people don't even bother to go through it. They just immediately trash it, almost as an act of defiance aimed at the businesses that dare to pollute their private space with propaganda. But occasionally there is a nugget among all that silt. Sometimes we find a valuable money-saving offer at a store that we patronize or for a product or service that we want to buy. When that happens, we march through the door waving it in the air like a banner that proclaims that we qualify for the "special deal."

Regardless of what we call it, direct mail is a comfort zone for many businesses. Direct mail advertisers view coupon redemptions as proof of a return on their investment. Not all media deliver such tangible proof, including Radio. But the benefits of direct mail go beyond the redemption rate of just over 2%, according to the Direct Marketing Association.

First of all, if you have a mailbox, you can be reached by direct mail (which is pretty much everyone), making it an effective reach vehicle. It is also extremely effective at generating a precise consumer response. If worded properly, a coupon or incentive offer can direct people to a specific location on a specific date, and cause them to make a specific purchase. Finally, by buying the right mailing list, an advertiser can reach a consumer group that has been sorted based on a number of marketing criteria such as geography, age, sex, past purchases, and lifestyle.

Conversely, the disadvantages of direct mail also go beyond the average redemption rate of 1 to 3 percent. Direct mail is abysmally poor at creating brand conversion or store loyalty conversion. It relies almost exclusively on price discounts for effectiveness, which means it primarily motivates transactional customers. Those are the folks who will leave as quickly as they came when they find a better deal somewhere else. If compared to other media on the basis of cost-per-impresion, direct mail is one of the most expensive ways to advertise. And if image is important to an advertiser, it's hard to imply prestige in an ad when it's in amongst all the local Chinese buffet restaurants, dry cleaners, and pizza joints.

Adding Radio can do many things for users of direct mail. First of all, it can do the things that direct mail cannot. It can stimulate brand and store loyalty conversion. It can convey the emotional value of a product or service. It can cost-efficiently build frequency. Further, it can actually draw attention to the direct mail piece and increase the percent of redemption.

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## **Advantages**

**Targetability:** With direct mail, an advertiser can target potential customers by geographical area, product affinity, previous purchases, and potential interest based on accumulated or purchased databases.

**Reach:** The medium potentially can reach every household in the market, or at least every consumer the marketer wishes to target, usually through mail-merge options where multiple advertisers are combined in a single envelope or package.

**Maintenance:** Direct mail can be helpful in building and reinforcing existing consumer relationships through personalized mailings.

**Tracking:** The response rate is easily measured, and can be tracked through coupon redemption and return-card/call-back options.

**Precision:** Direct mail allows an advertiser to convey highly detailed information about their product or service, as well as deliver product samples for consumers to try.

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## **Disadvantages**

**Low Response Rates:** With an average response rate of just over 2%, most of the people you market to will reject or ignore your offer.

**Attention:** When consumers actually do read their direct mail, they tend to read mailings from advertisers they know and like.

**New Customers:** Direct mail is less effective in attracting prospects than in reinforcing existing customers. For any business whose future depends on expanding its consumer base, this is a significant liability.

**Consumer Perception:** Most consumers refer to direct mail as "junk mail" – and they have an even lower opinion of the most cost-efficient mail-merge packages that combine pieces from a number of different advertisers in one envelope.

**Outdated Mailing Lists:** Even among consumers who are not actively trying to have their names stricken from direct mail's rolls, there are many who move each year, making it difficult for direct-mail companies to identify and maintain accurate databases.

**Declining Couponing:** Time-crunched consumers are not clipping and redeeming coupons the way they once did, reducing the impact and trackability of many direct marketing campaigns.

**Growing Expense:** Impending increases in postal rates, paper costs, production charges, and database fees could turn direct mail into one of

the least cost-efficient of all media.

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### **Plus Radio**

**Intrusive:** Radio is linear, where consumers listen through commercials, unlike direct mail that quickly gets discarded after little more than reading a headline – if it is even opened. Only one commercial is heard at a time on Radio, drawing attention to that one advertiser. How do you get people to open the direct mail they usually discard? By augmenting your marketing strategy with Radio to call attention to your mailings, and precondition recipients to the benefits of reading and responding to your direct mail offers.

**Creates Brands:** Radio generates new customers by branding an advertiser. Radio, with its reach and frequency, develops an image for the advertiser.

**Personal Connection:** The Radio Ad Lab (RAL) in its study called "Personal Connections, Personal Relevance" shows how consumers connect with radio. Consumers listen to a station because they enjoy it, unlike the “junk” perception associated with direct mail. (*Radio Ad Lab (RAL),* )

**Excellent Reach:** Radio reaches 71% of every American aged 12 and older every day. Radio reaches 92% every week. Using Radio together with newspaper increases the reach of your advertisement among light readers and younger consumers. (*Radar 95, June 2009*)