

W14

"I'm only smart in spots—but I stay around those spots."

—Thomas Watson, founder of IBM

**Wednesday
Morning**

5

tips on gift promotions

Fax

from

**The
Castle
Press**

1. Consider spending more, advises Howard J. Sewell of Connect Direct.

In a carefully tested mailing for one client, Sewell offered a \$20 gift certificate to every person who replied. The tactic doubled responses—and cut cost per response by more than 23% (see table below).

2. Safeguard lead quality

Gift-centered promotions may increase response at the expense of quality. You can take the edge off that curse, Sewell says, by linking your gift offer to your product or service—for example, a discount on a purchase, or a book relating to your product.

3. Stress your product, not your gift

That way, you will tend to attract

customers for your core offer, not freebee-hunters interested mainly by your free offer.

4. Avoid open-ended offers

Limit your number of gifts, Sewell urges. "If you are among the first 1,000 persons to respond" will generate better results than a loose, time-limited offer—which is hard to budget in advance.

5. Always test against a no-gift offer

That establishes a benchmark that lets you measure the effect of your gift promotion—and whether it is worth its cost.

	No-Gift Mailing	\$20-Gift Mailing
Mailing Cost	\$15,000	\$15,000
Gift Cost	\$0	\$8,000
Total Cost	\$15,000	\$23,000
Response Rate	2%	4%
Response Number	200	400
Cost Per Response	\$75	\$57.50

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