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Denny Hatch's 5 pointers for direct-mail success

"If you are willing to get to know your best customers and learn how to please them," noted direct-mail veteran Denny Hatch says in the April issue of *Bottom Line/Business*, "you can greatly benefit from an ongoing direct-marketing campaign that is based on some simple—but powerful—strategies."

Strategy 1: Collect Customer Data

Every time a customer interacts with your business, gather and store information on the individual, Denny Hatch advises. Take a moment to ask for and record at least the customer's name and address...what he or she bought, and when...and how many dollars he or she spent.

By entering such information in a contact-management computer program such as ACT!, GoldMine, or OMNI, you can organize and retrieve data whenever you need it—and even address direct-mailings.

Strategy 2: Identify Your Most Profitable Customers

Using your contact-management program, you easily and quickly can sort customer data by purchase amounts, frequency of ordering, and most recent transaction—and target your direct-mail advertising to the customers who are most likely to order again from you.

Strategy 3: Test Outside Lists

All businesses need to find new customers. Hatch suggests you take advantage of a list broker's expertise to find lists of individuals in your area who have bought products or

"Direct marketers spent \$177 billion last year, yielding \$1 in sales for every 11.5¢ in cost."

—Forbes magazine, April 3, 2000

services similar to yours. Then test samples of the lists, and roll out to productive lists.

Hatch reminds advertisers that they become owners of the names of people who reply. So they never need rent productive names again.

Strategy 4: Send an Effective Selling Message

Make an offer your prospect can't refuse, Hatch says.

Muscle up your offer by giving away something free—or at a discount in dollar terms.

And personalize your offer with "gut" emotional appeals known to boost mail response: fear, greed, guilt, anger, exclusivity, salvation, and flattery.

Strategy 5: Measure your Mailing's Effectiveness

Print a code on your mailing piece and track responses with it. Or include a coupon or card that your customer can redeem for a bonus, and count the ones customers return.

Calculate your mailing costs, then subtract them from the sales dollars your promotion generated. Keep a permanent computer record of your results, and tweak your message and list select until your promotion works at top efficiency.

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