

W20

Wednesday

Morning

Fax

from

The

Castle

Press

Home-improvement company bounces back with direct mail

The Melani Brothers home-improvement company of Yorktown, Virginia, faced a business catastrophe in 2002 when it lost 92% of its new-business leads.

- The Melanis had been capturing leads through kiosks at Lowe's hardware outlets. They converted to \$12 million a year in orders for its construction projects But Lowe's canceled the in-store referral arrangement when customers complained that some contractors (not Melani Brothers) were abusing the system.
- As a result, Melani Brothers' yearly revenue nose-dived 20%, to \$9.6 million. The company was forced to lay off workers.
- The Melanis tried to generate replacement leads through telemarketing to likely high-value homeowners in selected ZIP codes. Then, in June of 2003, the U.S. Do-Not-Call list took effect. So telemarketing dried up.
- The Melani marketing Veep, Rick Menendez, turned to direct mail. He signed on the help of the Jerome Group, a St. Louis direct-mail company.
- The Jerome Group and Melani developed a home-improvement sweepstakes mailer.

It came in the form of an invitation, according to a report in *Direct* magazine. Mailed in a script-personalized closed-face envelope, the package included a four-color folder, a reply device/sweepstakes entry form, and a postpaid reply envelope.

The Castle

*Press prices
paper in railroad-
car units to cut
stock costs to
the bone.*

*A U.S. company goes out of business
every three minutes.*

— Dun & Bradstreet

The sweepstakes offered winners their choice of free projects such as a sunroom addition, thermal windows, a bay or garden window, and an outdoor deck with a spa.

The mail included the headline, "The Melani family invites you to win" and photographs of the Melani brothers and their families.

- An earlier Melani sweepstakes mailing, not showing the Melani families, pulled a 0.8% response. The Jerome Group's package generated almost 2.2% replies. Its 3,450 returned sweepstakes entries converted to 500 face-to-face sales calls.
- Menendez reports that the 2.2% response rate has held steady. Melani Brothers mailed 610,000 sweepstakes packages in 2004 and planned 1 million pieces for 2005 and 2006.
- The company now has achieved \$19 million in yearly sales — more than 58% higher than its best previous year — 30% of which directly derived from its sweepstakes mailings.
- Melani Brothers sends customers a home-improvement newsletter every six months and is testing the effect of variable-data printing.

The Castle Press — *your best choice for a
printing partner since 1931.*



1222 North Fair Oaks Avenue
Pasadena, California 91103
1-800-794-0858
www.castlepress.com

(9.20.06)