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All animals are equal, but some are more equal than others.
— George Orwell, Animal Farm

Wednesday Morning Fax

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4 bases every direct mailer needs to cover

In a remarkably thought-provoking bulletin, the nationally respected Craver, Mathews, Smith group advises that direct marketers carefully pay attention — many shoot themselves in the foot by neglecting to do so — to four factors that determine the health of a promotion program:

- **Repeats from first-time customers.** If any new account orders or donates again anemically, 1) You could be using the wrong list to acquire customers, 2) Your offer has run out of gas, or 3) Somehow, you have ticked off your expensively acquired first-timer. Fix.

  Flashing yellow light: Craver, Mathews, Smith has developed hard numbers that show that a new customer or donor who takes much longer than two months to order or give again is only flirting with you, or, at any rate, will not respond to your existing promotional tactics — so test overhauling them.

- **Lists.** You can't optimize your account-acquisition investment if you have not nailed down who your best customers are and where you found them.

  Why? Some lists look like Return On Investment winners at first. However, many of them do not generate long-lasting high-value donors. If you look at your mail results with a properly analytical eye, you likely can determine lists that look too costly at first glance, yet bring home much more net profit.

  True mailing-list bargains are as rare as dragons' teeth.

- **Yield.** Rank every element of your promotional program, starting with a 100 index number for your mainstay (probably, direct mail) by 1) Cost and 2) Income. At a glance you will be able to see where your budget is going and the sources of your income.

  If your indexes match, you are home free. If they do not match, adjust your promotion program.

- **Incremental revenue.** Craver, Mathews, Smith wants "everybody to raise lots of money."

  However, CMS urges caution, especially when it comes to fads. Its consultants fret that few advertisers track results to see if they truly are tapping into new, incremental funds sources, or if their respondents are only "channel swapping'" — switching, for instance, from direct mail to the Internet.

  "If you don't know," CMS asks, "how can you possibly be making prudent allocations of your marketing resources?"

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