

Mailing Campaigns Don't Have to be Painful...

PROSPERITY PLUS MANAGEMENT CONSULTING, INC.

By Jim Kahrs

Mailing Campaigns Don't Have to be Painful or Expensive

Take Away Points:

- THE RATIONAL TO DIRECT MAILING
- QUANTITY VS. QUALITY
- HOW TO GET STARTED

With the recent rises and falls in economy, many dealers have experienced slower sales than expected. Inevitably the question is raised: "What can we do to drive in some business?" Someone throws out the idea to do a large mailing.

So, the planning starts. What do we send? How does it get printed? How does it get mailed? Do we have enough co-op funds to cover the costs?

This immediately becomes an over whelming task and conjures up images of the last big mailing and the problems it caused. The promotional mail pieces offered by the manu-

facturer were either too expensive or did nothing to build the name of your dealership. So, you designed a piece with pictures of a few machines and a loss leader lease price.

Once you got the piece printed it took the majority of the administrative staff two weeks to get everything folded, addressed, sorted (since you wanted to get the postal discounts) and mailed. Not only were they upset about having to be the "mailroom," but the rest of their work did not get done and they complained about carpal tunnel syndrome and paper cuts for weeks. Exporting a customer list from the computer system was more

difficult than expected and combining it with the newly purchased prospect list was no picnic. But you made it through and all 15,000 pieces went in the mail.

The good news is that the mailing did make the phone ring. Though the response rate was less than a quarter of one percent, you got enough new business to justify the costs. However, as the dealer principal, you became further frustrated when you realized that there were a number of leads that never got attention because the sales reps did not have the time to follow up. It is no wonder we don't do this on a regular basis. Who can survive the stress? There is a better way.

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The size, not the quality of an organization's mailing list and the number of mailings and letters to it determines gross income.

Let's take a look at the basics. As per the Hubbard Management System, promotion is defined as "the art of offering what will be responded to." Response is the key. In order to get a high response rate you need to find out what people really want and consider valuable. This is determined by surveying customers and prospects. One of the biggest mistakes you can make is to assume that you know what is wanted and will be responded to. You survey different publics (groups with common characteristics) to find out what they like and dislike, what attributes they look for in a vendor, what factors most influence their purchase decisions, etc.

The results of your surveys are used to create the promotional pieces you will use. Again, according to the Hubbard Management System, there are two key components found in successful promotional pieces, the "button," and the "message." A button is what is used to get the public's agreement to hear the message. The message is the communication, the thought or the significance you want to get across.

For example, say your survey reveals that 70 percent of those asked are looking for a copier that does not jam. That's the button or the point of agreement with that public. So, you use that button with that public, you have agreement and they will listen to what you have to say about copiers. The button could be

"Tired of Copier Jams?" and the message could include things like the technology behind the system, independent tests showing low incidents of jamming and/or customer testimonials. The idea is to strike just the right note of agreement using the button and deliver your message to a now more receptive audience. That's the secret of a promotion that gets response.

Getting the Plan in Place

Now let's put this into practice at your dealership. The first step is to conduct surveys with the various publics you have targeted. This is best done by drafting a survey and having the sales reps call or visit customers and prospects to get the survey questions answered. You will want to conduct at least 50 surveys for each public you intend to target. The results of the surveys are then tabulated to determine the highest percentage of responses.

The survey data is used to develop the promo pieces. Since you have done your homework via surveys the promo pieces can be created in house. We recommend using postcards for your mailing campaigns. They are inexpensive to print and mail and do not have to be opened for the button to reach the recipient. Email variations of these postcards are also highly effective in terms of visibility and recognition provided you have a database of reliable email addresses for the decision makers in your public.

The next step is to determine how many pieces to mail, to whom will they be sent and how often. This is where another basic principle comes into play. You must mail to the same public multiple times to increase results. Mailing to a public once brings in very low response rates. However, hitting the same group three to five times is almost impossible to ignore.

Many business owners get stalled around this point as they take up questions about the quality of a database. To that point, the best advice may be taken from one of the most successful aspects within the Hubbard Management System which says "the size not the quality of an organization's mailing list and the number of mailings and letters to it determines the gross income of an org."

If you do not already have a database consisting of thousands of prospects (10,000 or more) you need to acquire one. Lists are available for sale through a number of companies. Set up a schedule that hits each prospect once every two to three months.

To accomplish this you need to put a process in place that will ensure regular mailings go out every month from here forward. The best way to make this happen is to have the printing and mailing done for you. We offer programs to do this all for you if you lack the resources needed.

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As far as the campaign goes, you could design your own pieces based on the survey data so long as you have the capability to handle that and get it done without causing a distraction to your team. The optimum way to do this is through a resource that has the industry knowledge and the creative team on board that will handle all facets of the program for you without charging you thousands and thousands of dollars in development fees. Our program is designed to be as simple and as cost-efficient as it gets so there is no need to stop production in your office.

When a program like this is done correctly and in full swing it is quite possible to get a response rate of two percent or more from each mailing. So, the question to ask yourself is: Can my dealership benefit from 60 new leads each month? And, of course, the answer is pretty easy when you consider that the cost can be recouped in as little as one or two sales. That being said, all that is left to do is start the process.

About the Author, About the Company



Jim Kahrs

Jim Kahrs is the Founder and President of Prosperity Plus Management Consulting, Inc.

Prosperity Plus works with companies in the office systems industry building revenue and profitability and improving organization structure using the Hubbard Management System. Jim can be reached at (631) 382-7762 or jkahrs@prosperityplus.com.

Prosperity Plus Management Consulting is dedicated to helping office systems dealers. We provide consulting and seminars designed to improve everything from cash flow and profits to organization and people issues to sales and marketing. Our comprehensive approach to business consulting focuses on teaching the dealer owner to get a better handle on the business.

Dealers get tremendous results from our financial benchmarking programs. We work with you to determine exact financial goals and help you put the plans in place to achieve these goals. The results of our financials programs have been tremendous improvement in cash flow, significantly increased profits and stabilizing business.

Our organization programs have helped dealers get themselves out of the day-to-day grind. One of the common goals here is to have the structure in place that allows the dealer owner to take a two or three week vacation without the business crashing.

