

2008 Direct Mail Control Report

Prepared by **The Ballantine Corporation**

June 2008

<http://www.ballantine.com>

We surveyed our clients and marketing contacts for this new direct mail report and asked:

"What is your best-performing mailer (postcard, voucher, 6x9, etc.)...and is the recent postage hike and weakened economy forcing you to re-adjust your direct mail strategy? If so, how and why?"

We received a wide variety of responses that we'd like to share with you. This report will give you an insider's view of the formats that are working right now across different industries.

Of the reports we've done so far, the topics of both 'test formats' and 'control formats' seem to be the most popular. As a result, our plan in 2009 is to once again release a direct mail format report in January and a control report in June.

Our intention with these reports is to give direct marketing professionals access to information they may not normally have access to.

Since this platform of exchanging information is 100% anonymous, it promotes a friendly environment to share data and we hope you find the following content helpful.

"Lastly, we thank all the marketing professionals who make these reports possible by giving us their feedback and insight."

Let's get the ball rolling...please turn the page.

Below is an overview of the responses we received broken down by industry.

Also – some of the responses mentioned email and online marketing. We decided to include these responses because we want this report to be as accurate and insightful as possible.

Senior Care: postcard, co-op

Retail: postcard

Marketing: postcard, newsletter

Entertainment: 9x12 package

Non-Profit: #9 package, 6x9 package

Publishing

Books: catalog, postcard

Magazines: #14 package, 9x12, #10, voucher, 8 ½ x 11 poly pack, double & triple postcard, greeting card mailer, online marketing

Association: 8 ½ x 11 poly pack, postcard

Healthcare: postcard

Insurance: voucher package

Software: postcard

Financial Services: self-mailer, #10 package

Below are some of the actual responses that we received which remain anonymous. However, we've included the company's industry to give you a better feel for how relevant the information is to your own direct mail efforts.

Company Industry: Book Publishing

Response #1

“Best performing of course, is our catalog. Next are the oversize (6x11) postcards. The economy, not the postage hike, has had the greatest impact. We predominantly mail catalogs, and have had to reduce page count, reduce paper quality, reduce total mailings, and reduce some creative/photo. Hoping for a great 4th quarter. This seems to be the prevailing sentiment throughout the book industry, with sales down and with fewer catalogs in the mail.”

Response #2

“A 6x9 FOUR COLOR postcard – touting our special sale. Cheapest postage and greatest response.

Postal hike has really caused us to cut back on direct mail catalogs, increased hygiene of our lists and decreased number of efforts for underperformers. We're doing MUCH more via eMail than even 3 months ago...”

Company Industry: Magazine Publishing

Response #1

“Our best performing mailer was a 4-color tri-fold postage-paid postcard that we sent to high-end prospects. The recent price hikes are prompting us to be more aggressive in our merge/purge processes.”

Response #2

“No mailings in past year - all online marketing...”

Response #3

“Since we have multiple titles, it really depends. For the consumer titles, we have seen a nice lift in response to our greeting card mailing. For the professional titles, the double postcard is still the overall winner, but response seems to be declining. As you know, the DPC cost is hard to beat. The postage hike is not impacting our mailing strategy at this time, but we are looking for ways to reduce our direct mail volume with more focus on the internet.”

Response #4

“Our best performing mail piece is a 9x12 package. This piece continually performs above 4% for us. Obviously, ever increasing postage is a major concern on this flat mailer (and on flats in general) and so we are testing a 6x9 mid-size portfolio mailer against it this year.”

Response #5

“#14 fancy voucher. We are adjusting our overall strategy for other reasons, but increased costs are of course a factor. We are in a 2-year offer and have decreased the size of our mail pool so that the mail is now profitable.”

Response #6

“Our best performing mailer was a #10 package with an order form, premium flyer, 4 page letter and lift note. We have decided to eliminate the lift note and change the 4 page letter to a 2 page letter. We are also using a less expensive premium.”

Response #7

“We mail a statement of benefits voucher and the postage hike/weakened economy has been one of the factors that led us to cancel our summer mailing.”

Response #8

“Our best performing dm package is STILL an 8 ½ x 11 poly pack. We're still trying to beat it but can't make a change until we do. So far, we haven't come close and even with the increase in postage, the most important thing is to sell the most net, paid subscriptions, so we'll have to keep mailing the poly.”

Response #9

“#10 package. Not changing anything due to postage increase. We were already planning some price testing before the most recent increase was announced.”

Response #10

“Our best mailer right now is a 3-fold 4-color postcard sent out to prospective subscribers. It's pricey to print and mail but we've been getting excellent response. We send a series of 3 of these postcards in between sending copies of the magazine and then we suppress the names from our subscriber database if they don't sign up.

The costs and the weakened economy have forced us to actually increase our direct mailings. With fewer people wanting to spend money we have to canvass a larger audience to keep the revenue coming in.”

Response #11

“My control is an enhanced voucher package. Increased costs will impact new creative and mail quantity. Smaller, more frequent mailings to only our best lists will be implemented in an effort to increase return on investment.”



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Company Industry: Financial Services

Response #1

“Still mailing the same, pre and post May postage increase. We are continuing to look for process and cost saving measures. Our control is a #10 mail package.”

Response #2

“A recent retirement planning DM achieved an excellent response rate compared to the previous year’s campaign. The 6x9 self-mailer featured an interactive component.

The cost per piece of DM can be prohibitive and our organization does not re-mail to non-responders. We may follow up with an e-mail to the same list as a reminder of the offer.”

Company Industry: Senior Care

Response #1

“Historically, we have had our best success with 8”x5” four-color postcards.

We have revisited our mail list qualifiers and made a few modifications to help reduce costs – tweaked the age and income levels, but mostly geography. We want to be more precise with our target audience. In some instances, we have divided mailings into regions or to specific zips, instead of sending to the entire list each time.”

Response #2

“Co-ops work better than any postcards, vouchers, etc. for us. Yes, we change the size of the mailing piece.”

Company Industry: Marketing

“The postcard continues to be our best-performing mailer, and it isn’t really related to the current economic situation. We find that postcards, and especially our World’s Smallest Newsletter, are not only read but serve as a source of new business inquiries for us.”

Company Industry: Retail

“Postcards have been performing best with a call to action back to the store. Redemption is still very very low – 0.2% or less”

Company Industry: Non-Profit

“Best performing mailer with a house file is a #9 double window package with an integrated card on the reply form. It is a renewal notice. Best performing mailer in acquisition is a 6 x 9 color window outer with an oversized brochure within the package. Postage hike has caused us to use commingling more to keep postage costs down. The weakened economy has not changed our strategies.”

Company Industry: Software

“Unfortunately, our best performing campaign was an email. In terms of direct mail, the only pieces we ever send out anymore are 8.5 x 5.5 single postcards because of the cost. We used to send out double and triple folds with the same dimensions but they just don't perform any better than the singles.”



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Company Industry: Entertainment

“Our best performing package is a 9x12. Direct mail strategy more or less unchanged.”

Company Industry: Insurance

“What is our best-performing mailer – Voucher. Economy - Yes, we are limiting the testing panels to smaller packages such as vouchers or 4 page magalogs.”

Company Industry: Sports & Leisure

“No plans to cut back mailing. We’re expanding our business so we’re trying new programs and can’t afford not to mail.”

Company Industry: Association

Response #1

“The best response is from a postcard but not the normal 4x6 – rather an unusual size – seems to give the best response for the investment. The economy is requiring a more robust mailing policy and the postal rates mean we use private delivery services when possible.”

Response #2

“Our best performing package is a polybag package that contains a sample issue of our journal along with a voucher in a #10. We're a membership organization and our members view our journal as the biggest benefit of membership. By putting a sample issue of our journal into our prospects hands, we are able get almost double the response rate of just mailing the voucher in a #10.”

Related Resources



Current Domestic Postage Rates & Fees Tables:

<http://pe.usps.gov/cpim/ftp/manuals/dmm300/ratesandfees.pdf>



Commingling (for postage reduction & delivery efficiency):

<http://www.ballantine.com/commingling-explained.pdf>



The Ballantine Blog (tips, news, case studies & video):

<http://www.ballantine.com/blog/>

Conclusion

We are really happy with the quality of responses that we received for this report. Thank you again to those who participated. We would like to end this report with a recap of what we're seeing with our own clients in regards to mailing activity:

- ✓ Less flats of course, but we're still printing and mailing them. And for those that are using them, obviously there's less competition for attention in the mailbox.
- ✓ Higher volume of orders for slim jim magalogs and booklet sized magalogs.
- ✓ Enhanced voucher package modifications: 8-1/2 x 11 form, use of 4-color, 4-color buckslip, #10 envelope, added brochure, oversized window on OE, statement of benefits form on matte card stock and other enhancements.
- ✓ We're also seeing some envelope variations: closed face 2-way match with blow on address label or faux address label, "stamps" affixed to OE and color & kraft stock OEs.
- ✓ Less frequency of the very large mailings – more frequent targeted mailings – but nevertheless, the total volume we're seeing across the board is still healthy.

Thank you for reading!