



CUTTING YOUR DIRECT MAIL PRODUCTION COSTS

Tips for Saving Money
on Your Next Campaign

Summary of Key Findings:

When printing multiple versions of a four-color brochure, running more than one version on the same press sheet can save you a lot of money.

To test a format that is very expensive to produce in small test quantities, find out if one of your vendors is running that particular format in a large quantity for another client and then, with that client's permission, run your test piece as plate changes off their larger run.

Talk to your vendors about alternative size possibilities in order to achieve a better fit on press.

A minor reduction in the cost of paper can produce big benefits. Ask your printers to give you a quote on the paper you are requesting, as well as on their comparable house sheets.

Producing a double postcard as a cut sheet/ink-jet product instead of a continuous form/laser product, particularly in smaller quantities, can save money without compromising quality.

Try these money saving suggestions to help minimize the cost of your next direct mail campaign.

1. Gang-Run Printing

If you are printing multiple versions of a four-color brochure, running more than one version on the same press sheet can save you a lot of money. When you put the brochure out for a quote, be as thorough and descriptive as possible, making sure to list the number, quantity and changes per version. This will enable your printer to plan out the job and minimize the number of plate changes and make-readies that you incur. With a typical make-ready costing \$800 and an average plate costing \$175, you can see how the savings can quickly add up.

2. Using a Fifth Color

If you've designed a brochure that includes copy changes reversing out of a four-color background (a headline, for example), consider changing that background to a PMS fifth color. By doing this, each version change will only affect one plate instead of all four plates. This will more than offset the increase in cost of changing to a five-color brochure.

For example, if you want to print a million brochures with 10 different versions,

instead of using a complete four-color change on one side, consider printing five-colors over five-colors with a one-color change on one side. The savings with the five-color version would be approximately \$4,400.

3. Piggyback on a Larger Print Run

If you want to test a format that is very expensive to produce in small test quantities, find out if one of your vendors is running that particular format in a large quantity for another client and then, with that client's permission, run your test piece as a plate change off their larger run. By doing this your printer can split the savings between the two clients.

4. Minor Size Changes Equal Major Cost Savings

It always pays to talk to your vendors about alternative size possibilities in order to achieve a better fit on press. Particularly in web printing, you are dealing with fixed cutoff dimensions, combined with variable width dimensions. As a result, a slight tweaking one way or another can have a dramatic

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Seven Tips for Saving Money on Your Next Campaign

1. Gang-Run Printing
2. Using a Fifth Color
3. Piggyback on a Larger Print Run
4. Minor Size Changes Equal Major Cost Savings
5. Use Your Printer's House Sheet
6. Personalization at a Lower Cost
7. Maximize Postal Discounts



effect on press efficiency. In one case, a publisher designed a brochure at 16" x 27", but the printer recommended changing the size to 17" x 25-7/8". In doing so, the printer was able to achieve a perfect fit on a half-web press, instead of running sheet-fed, which reduced the publisher's cost by \$3,500 on a quantity of 60,000 brochures.

5. Your Printer's House Sheet

On a typical printing job, paper can easily account for 50 percent of the total cost. Even a minor reduction in the cost of paper can produce big benefits. One way to accomplish this is to ask your printers to give you a price on the paper you are requesting, as well as a comparable alternative among their house sheets. The primary benefit is that since the printer buys this paper in very large quantities, they can offer it to you at a very attractive price. Another benefit is that the printer already has the paper on hand, thereby eliminating special order lead time and possible minimum order requirements. If you are printing one million 11" x 17" brochures, using your printer's house sheet could save you as much as \$1,200 over a comparable paper.

6. Personalization at a Lower Cost

If you are producing a direct-mail piece that includes the personalization of an address block and some additional copy, you should explore various production methods to determine which is the most cost-effective process that will give you the quality and amount of personalization you need. Consider producing a double postcard as a cut sheet/ink-jet product instead of a continuous form/laser product. Cut sheet refers to printing on a sheet-fed or web press, where

the paper is cut into individual sheets and then fed through an inkjet machine to personalize it. Continuous form refers to printing roll-to-roll on a web press and then feeding the rolls of preprinted paper through high-speed laser equipment to personalize the entire form.

Particularly in smaller quantities, the cut sheet/ink-jet approach can save money without compromising quality. On the other hand, if you're using an 8-1/2" x 11" letter with full variable imaging, continuous/laser would most likely be the best process.

Double postcards are commonly used to generate subscriptions. Half the postcard is used to sell, and the other half acts as a subscription reply card. It's an easy piece to produce at a low cost. Printers note it's an ideal piece for magazine acquisition mailings.

7. Maximize Postal Discounts

The USPS's MERLIN program—an acronym for Mail Evaluation Readability Lookup Instrument—is a tool that is used to assist with the acceptance of business mail. The MERLIN program helps mailers qualify for automation discounts and meet acceptance requirements for bulk mailings. The last phone call any mailer wants to receive is one from their mailhouse informing them that their mail piece has failed the MERLIN test. This will result in a loss of your automation discount and cost you approximately seven cents per piece. For example, a run of 200,000 5-1/2" x 8-1/2" postcards printed on seven-point card stock, instead of nine-point stock, would fail MERLIN and result in a surcharge of \$14,000. For a MERLIN compatibility checklist, please visit : <http://www.ballantine.com/merlin>



Job Specs

These Three Hypothetical Press Runs Illustrate How Taking Advantage of Your Printer's Equipment Can Potentially Save You Money On Direct Mail Production

1 MILLION CONFERENCE BROCHURES

Original Specs	Money Saving Specs
10 Different Versions	10 Different Versions
8-1/2" x 11" on 80# Paper	8-1/2" x 11" on 80# Paper
Four-Colors over Four-Colors	Five-Colors Over Five Colors
Four-Color Change on One Side	One-Color Change on One Side

Instead of using a complete four-color change on one side, use five-colors over five-colors, with a one side one-color change. This can save you nearly \$4,400.

CHANGING TRIM SIZE

Original Specs	Money Saving Specs
60,000 Brochures	60,000 Brochures
16" x 27"	17" x 25-7/8"
Sheet-Fed	Half-Web

By reducing the trim size, the printer is able to achieve a perfect fit on a half-web press instead of running sheet-fed. This can save the publisher \$3,500 on 60,000 brochures.

CUT SHEET/INK-JET VS. CONTINUOUS FORM/LASER

Original Specs	Money Saving Specs
4-1/4" x 6" Double Postcard	4-1/4" x 6" Double Postcard
Four-Color over Four-Color	Four-Color over Four-Color
7-point Matte Stock	7-point Matte Stock
Personalized with Continuous Form/Laser	Personalized with Cut sheet/Ink-Jet

Personalizing the mailing using cut sheet/ink-jet rather than continuous form/laser printing can potentially save these percentages on the following amounts:

- 100,000 Copies = 53% Savings
- 500,000 Copies = 25% Savings
- 1 Million Copies = 14% Savings
- 2 Million Copies = 9% Savings



Rate Hikes Are Just One Part of Cost Increases

Postal rate hikes are not the only increase in expenditures publishers are facing—there are also paper, production and printing costs to deal with. Following the tips in this white paper will put you well on your way to a more cost efficient campaign—and higher ROI.

"Though postage accounts for 50 percent to 60 percent of a client's operating plan, we cannot forget that paper is a commodity whose future cost is uncertain," says Deb Zappulla, Senior Vice President and Director of Production Services at advertising agency Wunderman New York. "But regardless of costs, mail remains one of the best places to increase dialogue."



Additional Campaign Tips:

One of the keys to a successful direct-mail campaign is personalization. Customers have come to expect a high degree of personalization in direct-mail. According to the U.S. Postal Service, customized mailings garner a six percent to 17 percent average response rate. Personalized mailings can achieve response rates between three percent and five percent. Mass mailings only garner a one percent to two percent average response rate.

Once you've got your campaign lined up, you still need to consider the following variables:

1 Develop a Mailing List

You can either develop a list from your subscriber base, or rent one from a list broker. And don't forget to run your lists through the National Change of Address (NCOA) service. This process standardizes all of the addresses so that they conform to postal service guidelines. It also corrects the addresses of people who have moved. Using NCOA will ensure maximum deliverability.

2 Create a Mailing Piece

You need to create a direct-mail piece with a strong offer that will spur the recipient to action. Don't create a direct-mail piece merely to inform. That's what your brochures are for.

3 Code Your Response Vehicle

However you ask recipients to respond, make sure you code your mailing. Coding provides a simple device for revealing just who has responded to which mailing and which offer. It makes individual responses much more valuable, since you can easily tabulate the different codes to see what's working the best for you.

4 Test Your Campaign

Even a modest campaign of a few thousand pieces can run up the budget with mailing and duplication costs. So you should always test mail a portion of your mailing list and check the results.

5 Run Your Campaign

Keep your mailing pace in line with your ability to handle the potential responses. Your test mailing will give you some sense of the rate of customer response. Use that as a gauge for how many pieces you should mail in a given week. Mail only those pieces you can support with your sales effort.

6 Handle Customer Responses

You can't handle the fulfillment end of a direct-mail campaign without considerable planning. If you are mailing out a sample copy, do you want that handled from your main offices? Many mail-order campaigns depend on fulfillment houses, which handle the logistics of sending out materials in large quantities. You provide the products and the prospects, they'll take care of the rest.

7 Analyze Your Results

This is perhaps the most important, and underrated, aspect of the campaign. Did the final results match what you expected from the test? What parts of the demographic responded better than expected? Are there subsets of your target audience that you can focus on in future mailings? Every direct-mail campaign you run should contribute not just to your sales figures but to enhancing your customer database as well.

About CM

CIRCULATION MANAGEMENT is dedicated exclusively to serving the information needs of consumer marketing and business-to-business circulation professionals via print, online and in-person products and services. It delivers the most current and complete overview of the issues shaping the magazine industry from a circulator's perspective.



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About Ballantine

Ballantine is a full-service direct mail company providing creative copy and design, print production, mailing services and one-to-one marketing solutions. Established in 1966, they bring a full plate of benefits to their clients including experienced project support and aggressive pricing. Some of their clients include The Economist, Smithsonian Magazine, Dow Jones, Pitney Bowes, Motley Fool and Stamps.com.



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