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Holiday 2007 Direct Marketing Industry Report

Prepared by **The Ballantine Corporation**
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<http://www.ballantine.com>

We recently surveyed our marketing contacts regarding their holiday 2007 direct mail campaigns. We asked them:

"Are your holiday direct mail campaigns working?

If you're seeing a decline in response, what are you doing to remedy the situation?"

We received a wide variety of responses and we'd like to share the answers with you in this report. At the very least, this report will give you a bird's eye view of the current health of holiday promotional direct mail.

Our plans are to release additional industry reports in January 2008--what direct mail formats are working in spite of the postage hike...and in March 2008, what direct mail promotional offers are most industries still mailing and is there anything new out there?

Let's get the ball rolling here, but we want to first start off with a tip...

Winning Tip!

Mail Your Last Donor Effort First Class and Include a Buckslip that Only Promotes Online Ordering!

First Class Postage -- which becomes more cost effective with this last mailing's reduced mail quantity -- guarantees that your effort will arrive BEFORE THE HOLIDAYS!

View this often crucial effort as both an order device and final chance to promote last minute online orders.

→Courtesy of Hilde Sprung, Marketing Consultant. Contact Hilde at hstein128@aol.com.←

Below are the responses, which remain anonymous, but include the company's industry to give you a better feel of how relevant the information is to your efforts.

Response #1

“Our direct mail campaigns are working to our satisfaction. Some decline in response, but we've used email to try to make up the difference.”

Company Industry: Publishing/Retail

Response #2

“We've been using greeting card mailers to connect with our current clients and this technique is also opening up more strategic relationships. Mass letters or newsletters are not as effective for us during the holidays, but we have seen more of a response by using greeting cards. It has a personal touch if done the right way.”

Company Industry: Broadcasting/Television Station

Response #3

“Our holiday campaigns are performing well. If we see a decline in November, we adjust our promotions in December with a variety of tactics (i.e. telemarketing) to generate new gift subscriptions for example.”

Company Industry: Magazine Publishing

Response #4

“Our holiday dm campaigns are only sent to current customers. Since we mail as many as three efforts to our customers, it’s a little too early to gauge the success of our 2007 holiday mailings. What I can tell you is that last year’s response was down, and as a result, this year we’ve developed some 4 color packages with large windows for our consumer titles in an attempt to catch their eye. We are also refining our lists more. We’ve also pulled back on the number of efforts for our professional titles.”

Company Industry: Magazine Publishing

Response #5

“We are pushing out as many direct mail campaigns as humanly possible to our field force to keep them busy. So far so good!”

Company Industry: Financial Services

Response #6

“The holiday direct mail campaigns I have worked on have either had a decline in response, or stayed about the same. I am not sure if that is an indication of the campaigns not working, or more people choosing to use the internet to order gifts and shop. Price has something to do with it because I do have one client who raised the price last year and received about half the response they received on the lower price. Subsequently, the campaign price was dropped this year because of that.”

Company Industry: Direct Mail Consulting

Response #7

“Our holiday direct mail campaigns are preliminarily tracking in-line with past years. We have updated our package with additional cross-sell opportunities which seems to be working well.”

Company Industry: Business Services

Response #8

“Our response is down, but that is to be expected in our industry. Basically anything that mails close to Thanksgiving through the end of the year gets a lower response. People don't always have their investments in mind at this time of the year. We typically plan for smaller, if any, campaigns to our database during the holidays and save prospecting campaigns for early January.”

Company Industry: Luxury Real Estate

Response #9

“It has been our experience to soften our marketing in the months of July and December. We begin our holiday campaign in late September and close by the 20th of November, then hit a winter campaign very strong beginning January 5th. Our most recent holiday mailer has brought in only 3% but I expect another 10% due to phone interest. Our overall 2007 campaigns have delivered all we hoped for.”

Company Industry: Business Services

Response #10

“I have found our direct mail campaigns have grown in strength. The longer you are in business the more you know the behavior and buying patterns of your customers. This has given us an edge in tailoring products which we are certain will have a very good response among our readers.”

Company Industry: Magazine Publishing

Response #11

“We're in the B2B market and there really isn't a greater need for our particular product during the holidays. As a result, we don't use any holiday direct mail campaigns to bolster sales...but we do see value in sending holiday cards to large repeat customers and vendors to promote the positive ongoing relationships we have with them.”

Company Industry: Heavy Machinery

Response #12

“Typically, we don't see any significant lift during the holiday season on offer-driven messages and mail only regulatory-type direct mail. To remedy the situation, we induct marketing offers post-holiday season when response rates are likely to improve.”

Company Industry: Financial Services

Response #13

“The mailing we’re doing this holiday season will be the first one in a few years. But when we were doing holiday mailings, we found that offering a holiday coupon produced a very favorable response rate.”

Company Industry: Personal Care/Retail

Response #14

“None of my clients (mostly local non-profits) have run their holiday campaigns yet. These are small, concentrated efforts with most mailings under 5,000 pieces. We currently expect the same level of overall response as last year.”

Company Industry: Direct Mail Consulting

Response #15

“I’m happy to say that we are satisfied with our holiday mailing so far.”

Company Industry: Real Estate, Commercial & Residential Construction

Response #16

“Our holiday mailings are working very well. We attribute this to very careful mailing list selection with our list broker.”

Company Industry: Promotional Advertising

Additional Findings

Out of the responses we received, it was interesting to find that 30% don't do holiday direct mail campaigns. The reasons for this varied from company to company, but here is what one marketer said:

“We don't do any direct mail during the holidays as we are a luxury cruise line and our average transaction is \$7,000+. During the holidays we know that our clientele are not interested in purchasing cruises. They're focused on buying gifts for their children and grandchildren, and putting the finishing touches on their family holiday plans.”

We also received a response from a niche magazine that is testing using all e-mail for their holiday acquisition efforts.

Lastly, one financial services company noted that direct mail for them is healthy, but they're also supplementing it with email for relationship building.

Conclusion

The results of our study are positive overall. As expected, many companies are using e-mail to compliment their direct mail efforts, or using it to fill in the gap if they're seeing a slight dip in response from direct mail.

One interesting thing to point out is the use of greeting cards.

We see two applications here...one is to send actual holiday greeting cards to your house file as a relationship builder no matter what industry you're in; the second is to design your holiday direct mail effort to look like a greeting card...which many companies have tested, but have you?

Thank you for reading!