

Direct mail marketing advantageous for some businesses

By SARAH DUNCAN

UNF Small Business Development Center

By definition, small businesses have much smaller budgets than their corporate counterparts, no matter what the profession, and are therefore in a constant quandary on how they can feasibly compete for customers.



One of the most cost-effective ways of advertising is direct mail marketing,

which can be scaled to meet any budget.

One of the basics in direct-mail marketing is evaluating the product to be advertised and the desired group of consumers. Take a look at your product and determine how you can present it as an answer to your customers' needs.

Depending on what type of product it is and its potential use, decide on a method of targeting your consumer: demographically, psychographically, or geographically.

Demographics deal with a consumer's age and income. Psychographics look at buying habits, likes and dislikes.

And, geographics depend on where your desired audience lives, i.e. their ZIP code, county line, city, etc.

Geographic targeting may be the easiest method for a brand-new small business in that you can send out announcements about your grand opening or specials to the surrounding neighborhood or businesses.

Once you have a fairly solid customer base, you can then use a survey or periodic comment cards to determine what similarities your current customers have (demographics) and/or how they feel about the product, suggestions they have for improvement, and even other products they buy consistently (psychographics).

Then, you can draw up a picture of your typical consumer and investigate how to reach other potential consumers like them.

Direct mailing, while quite cost-effective if done correctly, still involves several different costs, such as postage, printing, mailing lists and mail-house processing. Depending on how much of an area you wish to reach during a given mailing, direct mail is usually classified as Third Class postage.

Printing basically covers your advertising idea from conception to the press, and will therefore be your highest expense. Mail-house processing should

mainly be used for mail-outs of over 1,000 pieces in order to be cost-effective.

Whatever you decide, never forget to get several quotes and double-check your figures. For a small business, unexpected expenses can turn a mail-out into a liability that cannot be compensated for by any amount of responses.

Mailing lists come from a variety of sources and should be chosen to match your method of sales. Business and residential listings come from the yellow pages, automobile registrations, and driver's licenses, are highly accurate, and are used for both demographic and geographic targeting.

Magazine and journal subscribers, on the other hand, can be used for more psychographic targeting than the other two methods. Lists can be obtained from mailing houses, but it is important to note the source vendor of the list and to rent the list for only the amount of times you will use it.

Appeal to your customers' sense of urgency and give them an easy way to respond, whether it be through a map to your business or a response card.

Be sensitive to your packaging and presentation, as it is often the difference between getting your piece read or having it thrown away.

For a small business, you need as much return on your investment as possible, so make sure that your piece is both professional and exciting.

Finally, keep track of your success rate on each mail out, sending out a few test items with different promotions or looks with each group. Mark response rates and begin an in-house list to sell more effectively to your current customers and discover other available markets as well.

For more information about SBDC workshops, please call 620-2476 or check the SBDC homepage at www.unf.sbdcl/.