

INTEGRATING DIRECT MAIL AS A START SOURCE

by Evan Mecak



Newspapers have been flirting with direct mail for years, primarily for fear of legislation restricting or eliminating telemarketing. If you're still of the opinion that the end of telemarketing as we know it is only a myth, call one of your counterparts in the state of New York. Most likely they will not have time to talk because they're too busy combating the reality of a state-wide, do-not-call list that already has over one million numbers in the first month of enactment and is growing daily.

If that's not enough to keep you awake at night, how about this: Direct mail has better retention, is less intrusive and costs about the same or in some markets even less than telemarketing. In fact, direct mail often costs less per annual subscription unit than telemarketing.

Here are some tips on basic segmentation and how the [San Francisco Chronicle](#) (San Francisco, CA) went from writing virtually no direct mail starts to over 23,000 last year alone:

- When moving direct mail from a project basis into an ongoing process, it's important take a top-level view of segmentation and understand which segments can produce sustainable start pressure and which segments to use for quick hits. Our basic direct mail segmentation breaks targets into four groups: ex-subscribers (high response rates, limited volume), new movers (lower, but moderate response, with consistent volume), Sunday-only conversions (very high response, very limited volume), and nonsubscribers (low response, large sustainable volume).
- This may sound over simplified, but budget direct mail the way you would budget any other start source, and budget it according to your top-level segmentation. Direct mail starts should be tied to the annual objectives for circulation volume according to start-pressure goals. It's too easy to get side tracked, and a clearly laid out start-pressure budget can do amazing things to keep a process moving forward.
- Shared vision and leadership also is critical to gaining momentum for an integrated direct mail process. Most newspaper executives rely on the "pay-as-you-go" model. Telemarketing and door crews typically bring in a set amount of orders each week, and you pay for the orders that week. Not so with direct mail; all of the costs are front-loaded. First you pay for the postage, printing and creative, and then weeks later the starts come rolling in. Don't underestimate the need to over communicate this to top managers at your newspaper. Expectation management is key to keeping a process moving along.
- Keep the creative approval process closely held. Let's face it, no idea can stand up to review by committee, especially considering most newspaper executives are not direct marketers. Furthermore, don't be afraid to bring in a direct marketing agency to help with creative; it's

Integrating Direct Mail as a Start Source

usually cheaper anyway. Creative costs are only 5-to-10 percent of the total expense associated with a direct-mail campaign. Postage, paper and printing are the largest expenses. Direct marketing agencies buy printing and paper on economies of scale, saving you dollars.

- Tracking, tracking, tracking. I can't really say enough about tracking. Set up a unique phone number for each piece, in addition to a unique URL if you're going to allow customers to respond via the Internet. Not all customers will take the time to mail back your postage-paid reply. Give them a choice: Call toll free, respond online or mail back the postage-paid reply.
- Know your data. The general rule of thumb in the direct-marketing industry is 40 percent list, 40 percent offer and 20 percent creative will determine response. You can have the best offer and amazing creative, but without good data it won't really do much good. Ex-subscribers, Sunday conversions and new movers are the easiest data groups to tackle first. Nonsubscribers are the most challenging segment, but the reward is worth it. Over 50 percent of our direct mail orders come from nonsubscribers. In larger to mid-size markets, going after nonsubscribers will mean investing in household-specific consumer data and some type of data mart or contact-management database system. The return dollars to achieve return-on-investment are out there, and the alternatives are few to none.

See part two of this series: [Identifying What Works in Direct Mail Solicitation](#).

[Evan Mecak](#) is the circulation database marketing manager for the [San Francisco Chronicle](#) and can be reached at (415) 777-8781. This article was originally published in the June 2001 issue of the NAA Circulation Update and is reproduced here by [ASTECH-InterMedia](#) with the author's permission.

