Direct Mail is Dead!...*Or Is It?*

Tips & tricks to achieve 40x higher response rates.

CustomerLobby

Postcards

Why send postcards? In addition to being read six times more often than other forms of direct mail, postcards are a low-cost, highly effective means of reaching your customers. Although email is much less expensive to send, commercial email is typically only opened 20 to 30% of the time. Postcards, on the other hand, are seen nearly 100% of the time - even if only on its way to the trash.

More importantly, response rates to marketing material sent to existing customers as measured by the Data and Marketing Association, **average 0.12% for email and 5.3% for postcards** – over a 40 times higher response rate with postcards.

Direct Response vs. Brand Marketing

What does direct response and brand marketing have to do with a postcard program? To understand how to build a solid marketing campaign to your customers, it is helpful to understand the difference between the two types of marketing.

Direct Response: The goal is to motivate a consumer to take an immediate, measurable action. Examples include: pay-per-lead and pay-per-click advertising.

Brand Marketing: The intent is to build a lasting impression in a consumer's mind so that when they next need a service like what you provide, they will remember your company's name and not simply begin an internet search for a new service provider. Your "brand" is more than just your company name and logo: it includes the image and "feeling" you want your customers to have in their minds when they think about your business.

For most local service businesses, the vast majority of customer outreach is brand marketing. The good news is that, done well, brand marketing to keep your customers coming back to you is far more

40 times higher response rates with postcards

cost-effective than direct response marketing for the same objective.

Essentially, every direct marketing effort is also a brand effort, though the reverse is not true. Brand marketing is designed to create top of mind awareness so that consumers think of you when they think of the categories you serve. Direct marketing is designed to make the phone ring now. Why not incorporate a call to action and response method in your brand marketing?

Even without a response component, brand marketing is effective because customers will remember your brand a lot less well than most business owners think. How do we know? Repeat customer transactions drop dramatically the longer it has been since the most recent customer transaction.

Essentially, three to five years after their last transaction with your business, most of your customers have forgotten about you. That also means that the cost to reacquire the customer after a five year lapse is almost as high as the cost to acquire a new customer.

Customer House List Building Strategy

Your internal list of customers is your "house" list. Before sending postcards, some work has to be done on building the list. For most businesses, the best place to begin is your accounting or invoicing system. Typically, that software has the name and billing address of your customers. Begin by exporting the name, address, email address (if available) and last transaction date of your customers. Split that list up into several smaller lists based on how many years it has been since their last transaction.

Once you have generated your lists, cleaning the mailing addresses is a great way to save costs by making sure the addresses you want to mail to are formatted in a way that the post office can deliver them. The USPS offers several free tools to help with this and there are some good paid services as well (e.g., Stamps.com, SmartyStreets.com, etc.) that offer some free and low-cost cleaning alternatives.

But, My Customers are Loyal
Why do we need to remind them of who we are?

Test it for yourself: look back at the customers you did work for, five to seven years ago. Is it likely that all of them have needed the service you provide since then? What percentage of them have you done work for since? You can cost-effectively improve that percentage by marketing to them.

Timing & Frequently of Postcards

This is where the work done to segment your customer list pays off in substantial cost-savings. Use the lists you generated in the step above and create a process that is repeated no less frequently than every few months. Consistently messaging to your customers over a long-term is key to minimizing lost customers. View your postcard marketing as part of an overall communication timeline that you want to maintain with your customers.

Send post cards less and less frequently to your customers based on how long it has been since they last did business with you. A customer who last did business with you four years ago is a lot less likely to do business with you than a customer who did business with you two years ago, so you can target your money (i.e. postcards) toward those customers with the better return potential.

Within the First Year

For customers in this time period, when marketing costs per transaction are lower, consider sending a postcard every few months. The main goal of the postcards shortly after the most recent transaction is to simply reinforce the great experience they had with your business. These messages are also a good time to promote the full range of services you offer as most of your customers are unlikely to know the full range of what you can do to help them.

Pro Tip

Send a follow up email a few days after you think the post cards will arrive in your customers mailboxes. Studies have shown that repeated exposures in a short period of time significantly increases "brand recall" among consumers. In addition, sending postcards and follow-up emails to the same person typically result in much higher response rates than sending just postcards or emails alone.

Customer Lobby Can Help!

Customer Lobby's service analyzes your data and uses artificial intelligence to predict which customers need service, then targets them with personalized postcards and emails. Once service is complete, the platform automatically asks your customers for reviews, saving you time and marketing dollars.

Schedule a demo at
go.customerlobby.com/request-a-demo

One to Two Years

Consider sending a post card every five to six months to those who last did business with you one to two years ago. Then, gradually increase the time between postcards to those who have done business with you further back in time.

What to Include on Your Postcard

Although it may be tempting to begin the process with what is on the postcards being sent, this step is likely to be the least important factor in your success. Spend most of your efforts preparing and cleaning your target list and thinking through the messages and offers you want to send based on how long since their last transaction.

This is not to suggest that an eye-catching image on the front of a postcard will not be helpful – it will – but it should be an easy process relative to the work already done to get to this point. In selecting images, there are many free or low-cost online services that provide a seemingly infinite array of options to choose from by simply searching online for "stock photos."

Most professional printing shops offer variable printing features which enable printing of individual postcards with personalized text including the customer's name, when the customer last did business with you, what you are offering, etc. In addition, based on the importance of customer reviews in driving consumer decisions, consider including a couple of great reviews, that are date-stamped, from recent customers on your postcards. These reviews should be updated over time so that customers see recent great feedback with each postcard.