

# Direct Mail's Measurable Success

By Susan Fox Lipschutz

For most furniture retailers, mass marketing is anything but scientific. Despite conventional rating services, there isn't a reliable method of measuring the effectiveness of radio, television, or print, making it difficult to know which ads are being seen by whom.

Unlike other media options, direct mail is both scientific and measurable. This means that you can determine exactly how many sales result from your direct mail campaign.

## Use Direct Mail to...

**...track results.** The best way to track your results is to have the consumer bring in the mailer to receive a free gift or special discounts. This not only lets you know how many people came into the store as a result of your promotion, but also what they purchased and where they came from.

**...build relationships.** Direct mail can also be used to reinforce your relationship with your existing customers. Never underestimate the power of a thank you note or small gift following a completed transaction. Birthday cards, gift certificates, and private sales are also good incentives to entice repeat business.

## The Key is the List

**Develop the list.** When considering direct mail, the first thing you must develop is a well-targeted mailing list. Without question, your existing customers are by far the best source for new business. According to furniture industry research, 80% of all furniture sales come from existing customers. So if you're not keeping your customer list up-to-date, you're probably losing out on your best opportunity to increase sales.

**Keep it Current.** There are several simple steps to follow to make your customer



list current. First, and most important, make sure that you automatically add the name of everyone who shops in your store. Consider taking the time to enter what they purchased so you can use that information to more directly target future sales promotions. For example, if you know that the average sofa is replaced every seven years, you can send a special offer to customers who purchased sofas seven years ago.

Next, all customer files should be run through the NCOA (National Change of Address) file annually. This will automatically update the address of anyone who has moved in the last three years. Finally, all lists should be CASS certified and de-duped, insuring that only one piece goes to each house, and all addresses are complete and correct.

**Build on it.** Once you've gotten your own mailing list in good order, you can begin adding qualified new prospects. List companies like Polk, compile residential demographics that identify prospects by age, gender, income, location, home value, and presence of children. You can even add psychographic

selects that index how likely a prospect is to purchase furniture. If you know who your customers are, you can select prospects that exactly match your demographics.

Probably the easiest and most cost-effective way to get new customers is to mail to "New Movers" in your area. The average suburban furniture store draws customers from a 10-15 mile radius. In that geography, there are approximately 400 new movers monthly. And most of them need new furniture! If you send a special offer to 400 new homeowners monthly and get a 2% response, you will have eight new customers coming in each month to buy furniture. That's almost 100 new customers a year. Like other mailing lists, you can add demographic selects to the "New Movers" file to maximize its effectiveness.

**Analyze it.** More often than not, even sophisticated furniture retailers have only a vague idea of who their customers are. This is the most common problem with lists that haven't worked well in the past. Not to worry. Target marketing companies like Market Mapping Plus have the ability to take your customer list and analyze its demographic trends. What this means is that it is possible to look at any customer and know that person's location, age, sex, income, value of home, etc. By categorizing or "profiling" all the customers on the list, you can determine which new prospects are likely to shop in your store. Once this information is obtained, you can add names to your mailing list that match the demographics of your existing customers.

## Create an Effective Promotion

Without question, a successful direct mail campaign needs a strong promotion. The trick is to identify what creative approach will work best with your customers and prospects. To create an effective mailer,

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you must accurately analyze your market and assess your competition.

It may sound simple, but a direct mail piece only has to give consumers a good reason to select your store. So what constitutes a “good” reason? The answer is value. Consumers want to know that when they purchase furniture, they are getting the best possible price, good quality, and reliable service. The problem is, all furniture stores make this claim. How can you distinguish yourself from your competition?

In furniture advertising, seeing truly is believing. Nothing will get the consumer’s attention better than showing them the beautiful furniture you sell in well-designed room settings. Color is essential and the quality of your mailer directly reflects the quality of your store.

In direct mail, consistency is everything. You need to develop a creative approach that is strong enough to visually identify your store without the customer

having to see your name. And you have to make the commitment to mail on a regular basis. Ideally, this means mailing 4-6 times a year. If budget is an issue, select a smaller mailing list. Once you see that the campaign is increasing sales, increase your list proportionately.

Remember, consumers are bombarded with “junk” mail every day and if you want them to pay attention to your piece, the message has to be immediately apparent. Color postcards work particularly well in accomplishing this goal. They’re simple, affordable and stand out in the mail. The front of the card should tell the consumers exactly what the promotion is about, and the back of the card should let them know the details of the sale.

The best way to determine which promotion will get the best results is to use a direct mail company that specializes in the furniture industry. More likely than not, they are designing promotions for

retailers across the country so they can tell you what promotions have worked best in the past for your type of furniture store.

If you are thinking of adding direct mail to your media mix, consider this. What is the first thing you do when you get home from work? If you're like most Americans, you open your mail. Combine this with the fact that direct mail can now specifically target consumers who are likely to purchase furniture in your store, and do it at the lowest cost per thousand. If you want to stay competitive and grow your business, direct mail is clearly one of the best media options to accomplish your goal.

*Susan Fox Lipschutz is president of Dynamail Marketing. 800/883-DYNA (3962). For the last 13 years, Ms. Lipschutz has worked with furniture retailers in many varied markets to create direct mail campaigns that offer a very high return on investment. From concept through mailing, Dynamail will work with a client to implement a cost-effective direct mail*

dynamail|marketing inc.

3850 SE Dixie Highway - Stuart, FL 34997  
772 219-4070 - fax 772 219-0043 - 800 883-3962 - www.dynamail.com