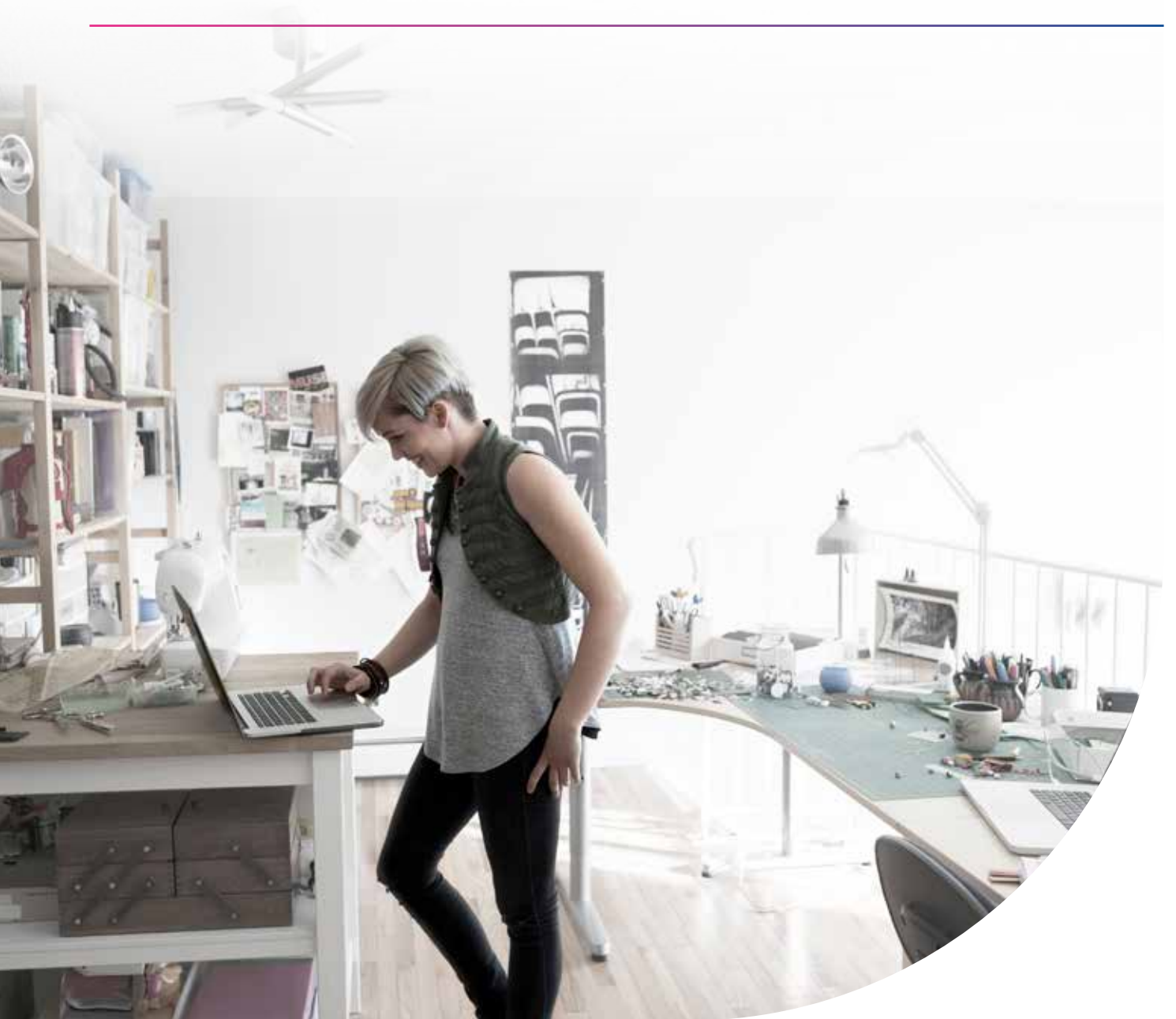


B2B Direct Mail

A Guide



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Introduction

How Direct Mail can add value to your business

In today's world of sophisticated technology and ever new and exciting forms of communication, your first question might be – 'why direct mail?'

Like email, it allows you to market to people on a one-to-one basis. You can use relevant data to personalise your message for maximum impact. Unlike email, direct mail gives your customers something tangible – and it seems that despite our increasingly digitalised lives, we still find value in something we can hold in our hands.

Results are easy to track – responses can be monitored, profitability measured accurately and our message, continually refined to optimise performance.

In this guide, we hope to remind you of the tremendous value and impact that the use of direct mail can bring to your B2B marketing.



6 Key steps to successfully planning your Direct Mail campaign

1

A good place to start when you're planning a B2B direct mail campaign is to decide what it is you're hoping to achieve. Here are a few examples of goals you might set;

- Lead generation
- Sales
- Building business relationships

2

Be clear on *who* it is you are targeting with your campaign. Will it be existing or lapsed customers, hot or cold prospects or perhaps potential business partners? It's important to acknowledge this relationship in your direct mail.

3

Do your numbers make sense? Make sure you have set realistic targets for your campaign and that your budget is sufficient to achieve them.

4

Will you need third party support? Don't forget to take into account any resource you will need for things like provision of data, creative, print, production and fulfilment.

5

Work out your timelines carefully. A clear schedule is crucial in any B2B direct mail campaign. A good way to do this is to start at the end – your delivery date. Work backwards from here, taking each supplier and process into account. Don't forget to build in contingency time in case something doesn't go to plan! You'll also find it helpful to work with suppliers because they will know their timescales best.

6

Create a process to handle any responses to your campaign. What quantities are you expecting and do you have the resource to deal with them? How will you respond to any queries or complaints?



How to budget effectively for your Direct Mail campaign

As we have discussed, being clear on your numbers before a campaign is vital to its success. In this section, we'll give you a few pointers on how to do this effectively.

Calculating the costs

Here's an example of some of the key factors that should be included when you consider the cost of your campaign;

- Postage
- Pack contents (e.g. Envelopes, leaflets etc.)
- Cost of mailing list
- Use of mailing house
(inserting, labelling and sorting etc.)

The full cost of each of these factors will of course, depend on the size of your target audience.

On top of these, there may well be other, related costs that you will need to include in your budget, such as copywriting, fulfilment and response handling.



Making sure your Direct Mail campaign reaches your best prospects

The success of your B2B campaign relies on the accuracy of your targeting. You may have a brilliant product, a fantastic offer and a beautifully designed mailing to sell it, but if you send it to the wrong people, none of that matters.

It just makes sense that you will substantially increase the success of your campaign by focusing it on the people who are most likely to respond positively. The obvious benefit of this is more sales. However, a well targeted campaign will also reduce waste and be better for your reputation. After all, no one likes receiving junk mail – and junk mail is just badly targeted direct mail.

Knowing your ideal customers

One of the best ways to discover who will be your best prospects, is to look at your existing business customers. These people already trust you and buy from you so why wouldn't you want to find more people just like them?

By looking at the information you already have, you can create a detailed picture of who your ideal customers are.

Finding your ideal customers

Once you have a clear picture of the type of customer you're looking for, the next step is to find prospects who match that criteria. One way to do this is through customer profiling. This means identifying which of your prospects most closely represents the characteristics of your ideal customers. This group can then be 'segmented' for your campaign.

Profiling can include any number of factors such as business sector, size by turnover, location, purchasing behaviour and much more.





Using data effectively in your Direct Mail campaign

Being relevant is vital in B2B direct mail. If someone feels you are writing to them personally, rather than as part of a mailing list, they are much more likely to read what you have to say. You can only do this if you have up to date and accurate information about your customers. This is where your customer and prospect database comes into its own.

Your customer database

It's a good idea to plan the way you fit data into your customer and prospect database. By doing this carefully you can save a lot of trouble with poor address quality. Each part of the name needs to be placed in a separate field with an extra field for the correct salutation.

Here's an example of the different fields you may need in your database:

- URN (unique reference number)
- Forename – Gordon
- Initials – GF
- Surname – Bennett
- Title – Mr
- Salutation – Mr Bennett
- Decoration – MIDM
- Job title (if appropriate) – Marketing Director
- House or building name
- Address line 2
- Address line 3
- Town or city
- County
- Postcode
- Telephone number
- Email

Data Quality

As well as using your own customer or prospect database, you can buy or rent business lists to mail to. There is a wide range of business lists, profile overlays and market research databases for you to choose from. They are available from a number of data providers, so it's important to be certain of a list's quality before you use it.

10 questions to ask your Data Provider

1. Where does your B2B data come from?

To ensure the list is of the highest quality, there should be more than one reputable source to ensure accuracy and optimum coverage.

2. How often is the data verified?

You won't want to waste your budget marketing to businesses that aren't there anymore, so an indication of how many bounce backs (gone-aways) your prospect database contains and how often the database is updated is essential.

3. What proportion of the database is safe to mail?

Your data provider should protect you from the legal complexities of mailing business prospects by providing you with fully compliant data.

4. What selection tools can I use?

It's important to have a flexible database that allows you to refine and segment your data. Applying selection filters will add real depth and quality to your targeting.

5. Can I remove high risk businesses?

A reputable data provider will offer pre-screening to remove businesses that are classed as maximum risk with a high likelihood of failure within the next twelve months.

6. How often is the data cleansed?

Business data can decay as fast as 22.5%* per annum, so you need to be sure that all the prospects on your database are up to date and worth spending your marketing budget on.

* Marketing Sherpa, 2014

7. Can you cleanse my current data and append missing/additional data?

Cleansing your data is an easy way to decrease waste and increase accuracy. You might also consider adding contact details, where these might be missing, and market intelligence information such as financial data and employee numbers. This would help you segment and target your direct mail more effectively.

8. Can you supply me with new business prospects that have the same characteristics as my best customers?

Your data provider should be able to model your best customers and provide new prospects with the same characteristics. This will help you to focus on a specific type of customer.

9. Will I receive my data securely?

Data should always be delivered in a secure format, usually by file transfer where it can only be accessed by separate login and password details.

10. What are the terms of sale?

It's important to find out how your direct mail data is priced, and on what terms. You should know:

- How many times you can use the data?
- What exact information will you receive?
- Can you follow up with your prospects by telephone?
- Are there any restrictions which may increase the cost?



Choosing a format for your Direct Mail campaign

It's worth taking some time to think about the format of your campaign. Getting this right can help you in a number of ways;

Getting past the gatekeeper

A staggering 80%* of B2B direct mail isn't opened by the addressee and 15% of that will never be seen by them because a gatekeeper (often their PA) will open it first and filter out what they deem as non-important. It pays to consider how you can improve your chances of getting your direct mail in front of the right person.

* Target Marketing, 2011

Create the right impression

What impression do you want to make? Perhaps you want to come across as credible or reassuringly business-like? In that case, you will probably choose one of the more standard formats such as DL, A5 and A4 for your mailing.

Alternatively, you use a more unique format in order to stand out and grab your prospect's attention. You could go with square, round, long or thin or any other bespoke format. Unusual folds and sizes can increase interaction and so the impact of your sales message.

Achieving maximum impact

The beauty of direct mail is that it can make use of all the senses! Think about the material you will use and how it will feel to touch. You might decide to include a digital element such as a DVD or memory stick. Thanks to the latest technology, marketers can now even make use of smell and taste in the direct mail. This can really prove successful because people use their emotions when they choose to buy and our senses are closely linked to them.

Whatever your decision is, make sure you factor in any additional costs too.

Look for inspiration everywhere

Why not keep a note of any mail that you receive that really stood out or impressed you? What was it that you liked and how can you use this in your own campaign?

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Creating content for a successful Direct Mail campaign

Now you know who to target with your campaign, you need to make sure that you really grab their attention with some engaging content. Here are our top tips for content that will convert...

Simplicity

All too often, the temptation can be to stuff your mail with as much information as possible, but the key to a successful campaign is 'Less is more'. Keep your message short and to the point and your prospects are much more likely to read and remember it.

Great copy

Whether you write the copy yourself or use a copywriter, you can use this simple check list to make sure your words will pack a punch.

- Is your key benefit included in the headline?
- Do you immediately expand on that benefit?
- Do you talk about customer benefits and not just features?
- Do you provide evidence for any claims that you make?
- Do you have a unique selling point (USP) and if so, have you mentioned it?
- Is your copy broken up by use of subheads, short paragraphs and bullet points etc so that it's easy to read?
- Do you avoid jargon and use language that is easy to understand?
- If you read the copy aloud, does it sound like normal conversation or does it come across as stuffy and formal? Good copy should be written as someone would speak.
- Have you included a call to action? That is, have you made it clear what action you want your reader to take and how they can do it?

A design to compliment your message

Does the design aid the understanding of your offer, or does it get in the way? People will typically decide within seconds whether or not to read your direct mail. If it looks like hard work, then it'll go straight in the bin.

Another equally important design consideration is whether it reflects your brand.

You may decide to use a creative agency. Choose carefully! Make sure they understand your business and your objectives for the campaign before you agree to work with them.

Test and review

By testing new copy and design, you can continue to refine and improve your response rates. This is a great way to maximise your return on investment (ROI).





Making sure your offer hits home

So, you've planned to perfection, your budget is in order, your data is top class and your content, second to none. How can you make sure that all this work pays off? How can you offer your prospects something they can't refuse?

Tell them what's in it for them

At the end of the day, that's all your prospects really want to know. How are you going to make their lives better?

Timing is everything!

A great offer will still fall flat if no one is around to read it. Make sure you avoid times when your prospects are less likely to respond – holidays, busy periods, even weekends are all times to be wary of.

Of course, there are also times that can be used to boost your conversion, for example, using seasonal themes or events to make your offer stand out.

The really shrewd marketer will watch their competitors too so as not to flood the market with offers going out all at the same time.



Add a little incentive...

What can you do to sweeten the deal for your prospects or to encourage them to take action?

Perhaps you could include a free gift up front or in exchange for a response? You might decide to create a sense of urgency by including a special offer for a limited time only. Here are a few more ideas...

Money off in £££s

% price discount

Buy one, get one free

Free first month

Lifelong discounts

Exclusive additional benefits

Free trial

A related product free

Multi-purchase discount

Extra amount free

Enter a free prize draw

Enter a competition

Membership benefits

Loyalty points



Working with suppliers

While it may be tempting to try to manage as much as possible of the campaign yourself, it's worth considering where it may be faster, less risky and even more cost-effective to engage the support of a third party supplier. Here are a few of the suppliers you may choose to work with on your campaign.

Business list supplier

Securing a high quality list is key. You want someone who can ensure your list is up to date and which contains contacts that are relevant to your needs and of course, compliant. Convenience may also be a key factor, so many list suppliers, including Experian make it possible to both select and purchase your list online.

Database bureau

Unless you are experienced in database maintenance and data issues, professional advice can be invaluable. You'll need to know what your database can do for you. A database bureau can maintain your database and look after the detail, leaving you free to concentrate on growing your business.

Even if you do manage your own database you will need advice on de-duplication (taking out multiple incidences of the same name and address), data quality, suppression (removing the people you cannot or should not be mailing), data capture (getting the data onto your database), analysis and output for mailings such as labels.

Print house

Select a print house who understands your requirements and has the right experience to fulfil them. A knowledgeable supplier can offer invaluable advice on format, materials etc.

Mailing house

If you are only mailing a couple of hundred people you may decide to undertake the addressing, envelope stuffing and postage yourself. But, as soon as you are mailing more than two thousand pieces, you should seriously consider an outside supplier.

Fulfilment house

A fulfilment house will help you handle responses from your campaigns. Typically, they will be able to capture names and addresses and send out information packs, take enquiries or orders for you, dispatch product orders and handle payments. For smaller businesses they could be a better option than having to commit staff and premises to carry out these jobs.

Digital or litho?

Whilst litho printing continues to offer a superior product in terms of quality, the appearance of digital print is not far behind. And the benefit of digital print is that you can personalise your message in lots of innovative ways, make changes more easily and, in pure financial terms, digital print is very cost-effective when compared to litho print. Going digital can be an increasingly attractive option for B2B direct mail.



Addressing the big cost - postage

The cost of postage will often be the single biggest cost associated with your direct mail campaign. It therefore makes sense to do what you can to minimise this outlay. Here are a few ways you can do that;

Accurate addressing

The accuracy of your name and address data can have a big effect on the cost of postage so it pays to make sure this information is high quality.

Make use of discounts

If you are mailing 4000 items or above, all at once and have at least 95% accurate postcode on your mailing file you could qualify for discounts from mail providers on the cost of your postage. Essentially the deal is that you do part of their sorting work for them and for this they reward you with discounts.

The administration can be fairly heavy and the cost of processing might outweigh the discounts you receive, especially if you are at the smaller volume end. Mailing providers are geared up for this as a routine process, but again check out the economics of it for your direct mail.



Size and weight

Any reputable mail house will help you calculate the cost of postage for a wide variety of direct mail sizes and weights – from different weights of paper and card, to materials such as polywrap – all of which will affect the price you pay.

Consider delivering by hand

Direct mail is personally addressed to a named recipient and is delivered through the post. It's not the only option however. With door to door distribution, you can deliver un-addressed mail to unnamed recipients at every business within a specified location. It's very effective for local promotions and free product samples. Whilst it is cheaper, it can however be perceived as low quality.

Staying Compliant

B2B direct mail is governed by various legislative and legal requirements. You'll need to know what these are before embarking on any direct mail activity. Here's a quick run down.

Data protection

Data protection is there to ensure that individuals' personal information is processed fairly and ethically. Even with B2B direct mail, you should be aware that you may be using someone's personal data and you therefore need to know your obligations.



Comply with the eight Data protection principles of the 1998 Data Protection Act.

These are:

1. The data must be processed fairly and lawfully
2. The data can only be obtained for specified and lawful purposes and processed in a manner compatible with those purposes
3. The data held must be adequate, relevant and not excessive in relation to the purposes for which they are processed
4. The data must be accurate and where necessary kept up to date
5. The data must not be kept longer than is necessary
6. The data shall only be processed in accordance with the rights of data subjects under the 1998 Act
7. Appropriate technical and organisational measures must be taken against unauthorised or unlawful processing of personal data and against accidental loss, destruction or damage to personal data
8. Personal data shall not be transferred outside of the European Economic Area unless there is adequate protection for the rights and freedoms of the data subject.

Register with the Information Commissioner

This is key if you hold details of individuals or businesses.

There are less obvious responsibilities for users and processors of data. For example, if you supplied your data to Experian for cleansing or profiling, you would have a responsibility to the people on your database to check that Experian will take due care of the data and that they have processes in place that demonstrate that your customer data is safe in their hands. You should ask any supplier that may handle your data for a copy of their Data Protection Statement. Similarly, if you wanted to buy data from Experian it has to advise you of your responsibilities.

For more information, go to www.ico.org.uk

What happens if you don't comply?

Non-compliance can lead to prosecution and penalties. While the Data Protection Act views both employees and businesses as responsible, directors and managers are particularly held to account for the actions of their staff.

Any challenge to an individual or company by a data subject (person on your database) could result in action by the Information Commissioner that could put a company's activities at risk.

The Advertising Standards Authority (ASA)

The ASA is there to ensure that non-broadcast advertisements in the UK are legal, decent and honest. They protect the public by enforcing the rules in the British Codes of Advertising and Sales Promotion.

B2B direct mail is covered by the codes. The ASA regulates the content of material and the use of mailing lists. In certain industry sectors your list broker will require you to provide sample mail packs for them to look at before they will release any names to you. If they are in any doubt as to the content or validity of claims made, they will forward these to the ASA for assessment. Copies of the codes are available from the ASA.

For more information, go to www.asa.org.uk

VAT

This is a complex area and the detail is outside the remit of this guide. Be sure to clarify with your local Customs and Excise the position on the rating and zero rating of elements of a direct mail pack.

Other Legal Considerations

Copyright – applies to mailing lists like any other printed matter

Theft Act – covers the theft or abuse of a mailing list owned by another company

Lotteries and Amusements Act 1976 – relates to the running of prize draws

Trade Descriptions Act 1968 – covers the use of false descriptions of goods and prices

Unsolicited Goods and Services Act – prevents demands for payment for goods which have not been requested

Consumer Protection Act 1987 – covers prices, product liability and the consumer's rights in relation to the cancellation of purchases

Consumer Credit Act – outlines information you need to include in your mailings regarding offers of loans or credit

Financial Services Act – covers the sale of investment products

Contact Preferences – you should screen your data against the opt-out registers. Most data suppliers can provide MPS (Mailing Preference Service), FPS (Fax Preference Service) and TPS (Telephone Preference Service) screening. In June 2004, Corporate TPS regulations came into force which apply to companies as well as schools, government departments, hospitals and other public bodies.

Your Direct Mail results

After all the effort you put in to your direct mail campaign, don't forget to spend some time reviewing your results.

Are you getting the responses that you planned for?

By measuring your results, you can refine your processes to ensure that they can cope with peaks in activity etc.

Generally, responses should be handled within 48-72 hours in order to act upon leads while they're still warm.

Once an order is received, delivery will normally be expected within 21 days.

Review your results to make sure you can keep on top of these expectations and you are seeking additional support with your fulfilment where necessary.

Tracking response through codes

Codes on your response mechanism will tell you who responded and why. This means that the performance of each campaign, list, pack or offer can be measured. Codes tell you things such as the most productive list, profiles of your ideal respondent so that you can find 'look-alikes' and best offers for different segments of your audience.

How should your prospects respond?

As well as the traditional means of responding, by post or telephone – a more effective and manageable option may well be by directing responders to a microsite or landing page. This online option allows you to track responses in a number of ways. You can ask people to type in a unique code to enter the microsite. You can ask them to register on the site, taking them one step further in the acquisition process. You can even ask them to commit to a purchase through the microsite. All of these can be measured using web analytics tools, so that you can monitor the effectiveness of your direct mail activity.

Asking for a response by email or by text can also be effective. Giving your prospects a choice of ways to respond will help improve your results.

Summary

Next time you're planning a direct mail campaign, remember these key points to help ensure its success;

Who are you targeting?

How do you want your customers to feel about your offering?

Do you want your message to be multifunctional or focused on one key offer?

What is the goal of your campaign?

What is the key message you want to portray?

What key challenges do you need to consider?

What does success look like?

How will you track this?

How do you want people to respond to your campaign?



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