Adding value to your business
What is direct mail? Direct mail is all about marketing to people on a one-to-one basis. Direct mail uses relevant messaging and information-packed data which enables you to personalise your direct mail pack to your audience in the most compelling, cost-effective and economical way.

As the world of communication grows ever more sophisticated, so direct mail continues to be one of the most effective ways of reaching the businesses you want to do business with. You can target companies and individual people and carefully tailor your message to produce virtually any outcome you want. Direct mail keeps you fully informed too. You can monitor every response, accurately measure profitability and continually refine the way you do things to optimise your direct mail performance.

This guide is designed to help you
We’ve written this guide to help you make the most of the opportunities direct mail offers you. It serves as a helpful reminder to those experienced in using direct mail in the B2B marketing mix, and as a comprehensive introduction if you are new to what remains, without question, one of the most effective, sophisticated and rewarding methods of adding value to your business.
Preparing for success
So what do you want to achieve through your B2B direct mail?

• Are you looking to produce direct orders for your products or services, or are you looking to generate hot leads for your sales teams?
• Do you want to initiate a business relationship, to build loyalty and to improve customer retention? Perhaps you’d like to make a sale and create a relationship?
• Who are you targeting? Is it existing customers, enquirers, hot or cold prospects? Is it a company or an individual? Have you spoken to them before, or will this be an introduction?
• Will your numbers work? How many sales do you need to make your direct mail activity profitable? Is your schedule feasible? Is your budget sufficient?
• Who will do the bits you can’t do… such as the provision of data, creative, print, production and fulfilment?

This guide will help you answer all of these important questions, questions you should always ask yourself when planning a new B2B direct mail campaign. The answers will help deliver success, and ensure you avoid disappointing results.

How will you handle responses?
Is it possible to phase your campaign so that the responses come in manageable quantities? Are you planning any follow-up to your campaign? An e-mail, or a telephone call?
Budgeting

Keeping in control of money and time
It's always a good idea to work out the costs of your B2B direct mail campaign before you embark on any activity. You can then check if your budget is sufficient, and identify how much you have to spend on each area.

Calculating the costs of your direct mail campaign
This example shows you how to calculate the cost of each individual direct mail piece in a typical B2B pack.

- **(A)** Target audience size
- **(B)** Cost of postage
- **(C)** Cost of pack contents:
  - Envelope
  - Letter
  - Leaflet
  - Brochure
  - Order form
  - Business reply envelope
- **(D)** Cost of list
- **(E)** Cost of mailing house:
  - Inserting
  - Labelling
  - Sorting

**TOTAL COST PER DIRECT MAIL PACK** \( (B + C + D + E) \div A \)

This example does not include estimates for fulfilment (sending out the goods, or further brochures) and response handling. If fulfilment is to be a direct cost, as distinct from an indirect cost (such as using the sales teams to follow up leads) then it should be added in.

It's always important to cover everything in your budget forecast. For example, with a direct mail letter, you might consider the cost of writing, designing and personalising the letter, as well as the cost of printing it.

Working out a feasible schedule
It's a good idea to draw up a schedule for all the steps in your B2B direct mail campaign. Timing is particularly critical in direct mail production. When planning your schedule start at the end – the delivery date. Work backwards from this date, taking each supplier and process into account. Also, build in plenty of contingency time. If you deliver artwork a day late to your printer this can delay delivery by a week or more. If you miss your time slot at the printers, you typically go to the back of the queue and every other part of the process will be late.

Take advice on schedules
Something else to remember is to build your schedules with your suppliers. After all, why should you know how everything takes? Listen to what they advise.
Targeting

**Closing in on your best prospects**
Targeting is arguably the most important part of B2B direct mail. You can have a brilliant product with a great offer and wonderful creative to sell it, but if it goes to someone who is just not going to be interested, none of this matters.

Targeting the right people with the right offer at the right time will substantially increase your chances of success. But as well as maximising your opportunities for making a sale, careful targeting also saves you money by reducing waste, not to mention being good for the environment and for your reputation. Remember, ‘junk mail’ is only badly targeted direct mail.

**Knowing your customers**
There are lots of ways to target what are likely to be your best business prospects, but one of the easiest ways is by understanding your existing business customers. They’re the people who trust you and already buy from you, so who better to show you the way to more people just like them?

You can build a picture of your best customers by looking at the information you have on them. Look at who bought or enquired about a particular product and consider their buying methods, the timing of their purchases and so on.

**Revealing look-a-like prospects**
By identifying the new business prospects who most ‘look like’ your existing customers, you can target the people who share similar characteristics… and are therefore more likely to become your customers. Other methods of finding out who your best prospects include mailing a rented list and analysing the replies. You can also conduct research through a postal or telephone questionnaire.

**Profiling potential customers**
Profiling means identifying a set of characteristics which are more common than average amongst prospects. Once identified, these characteristics can be used to select a sub-group (a segment) of prospects who are most likely to be interested in your offer. Typically, business profiling will relate to business sector, size by turnover and employee number, geographical location and number of locations, ownership of products, purchasing behaviour and a myriad other things.

**Active, lapsed or enquirer?**
You can have many different sorts of customers. Some are active, some will have gone quiet, some may have talked with you but never bought from you. It’s important to acknowledge your relationship in your B2B direct mail, if only to remind the person you are writing to.
**Talking to somebody, not everybody**
Being relevant is vital in B2B direct mail. If the person feels you are writing to them personally, rather than as a member of a mailing list, they are much more likely to read what you have to say. You can only be relevant if you have up to date and accurate information about your customers. This is where your customer and prospect database comes into its own.

**What you need in your 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
Ensuring quality and accuracy
As well as using your own customer or prospect databases, 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 wide variety of data providers, so you have to be certain of the lists' quality before you use it.

10 questions to ask your data provider...

1. Where do they source their B2B data from?
   Beware, there are wide variations in quality in business lists. Ideally there should be more than one reputable source to ensure accuracy and optimum coverage.

2. How often is the data verified and how?
   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 portion of the database is safe to mail?
   Our 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 on your email data 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 37% 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.

7. Can they cleanse my current data and append 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 they 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. How do I receive my data and will it be secure?
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. How is it priced?
It's important to find out how your direct mail data is priced, and on what terms:

• How many times will you be able to use the emails?
• Can the email data be leased for multiple uses?
• What information do you get for the price of email data?
• Can the emails be followed up by telephone or mail and how much does that cost?
• Are there any other restrictions that might increase the cost?
• Do you get any refund for bounce-backs?
Saying the right thing in the right way
Remember, effective B2B direct mail is all about making the right offer to the right person at the right time. That said, your direct mail will still need to grab your reader’s attention, hold their interest, and compel them to the action you want. The way to do this is through an engaging creative proposition.

What is your one defining thought?
Simplicity is the key to promoting an attractive offer in B2B direct mail. Too often, the offer is lost amongst a flurry of unnecessary messages. Many people cannot avoid the temptation of telling their reader everything about their products and company. The net result is the reader takes out nothing. Be simple and direct in your message and design.

Judging effective copy
Whether you write the copy or use a copywriter, use this simple check list to judge your copy.

- Benefits Is your offer or biggest benefit in your headline? Do you immediately expand on that benefit? Do you translate product features into customer benefits? Do you provide evidence for any claims you make? If you have a USP (Unique Selling Point), do you use it to its best effect?
- Grammar Is the copy broken up by easy-to-read devices – subheads, short paragraphs, bullet points, use of colour etc? Are your sentences short and simple? Do you avoid jargon and use words that everyone will understand?
- Read aloud Does your copy sound like someone talking when you read it out? Yes – good. No? Make it more natural and less formal. Your copy should be written as the words would be spoken.
- Call to action Is it clear what you want your reader to do? Is your phone number, website or address prominent? Do you offer a choice of ways to respond, and make these clear?

Considering the design
Ask yourself one simple question. Does the design aid the understanding of your offer, or does it get in the way? Your design is hugely important as people will typically make a decision within seconds whether or not to read your direct mail. If it looks hard work, or uninviting to read, it’s in the bin. Perhaps even more important is consideration of your direct mail pack in terms of your brand. Does it reflect your brand, or does it fight with your brand?

Choosing and briefing a creative agency
There are thousands of different advertising agencies and creative studios who can help you maximise your investment in B2B direct mail. Some will have specialism in your sector. Some offer specialist expertise in producing copy and design for direct mail. Whoever you decide to work with – and the best rule of thumb is to go with someone who you are comfortable can deliver what you need – it’s vital that they fully understand your business and your objectives. Only then can they produce a relevant and engaging creative proposition.

Testing different approaches
One of the main advantages direct mail offers is that you can continually refine your creative approach, you copy and your design to see if it improves response rates. You’re committed to the cost of print and postage, so why not see if you can get better sales by testing different creative approaches?
Offering the right deal at the right time
Picture the scenario. Uninvited, your direct mail pack drops onto the desk of someone who you value, who you deem important enough to write to, who you are hoping will like what you say enough to buy from you. So what exactly are you saying to them to compel them to give you their time?

How will they be better off?
Are you going to slavishly describe what you do, about your products and services? Or are you going to answer the eternal question... what's in it for me? What are you going to offer that's going to make them better off? What neat and simple deal can you give them to make yours an offer they can't refuse?

Getting your timing right
Remember, it's best to avoid the times when your direct mail might fall on stony ground... holidays, busy periods, even weekends. Similarly, there will be times where you can exploit a seasonal theme or event to make your offer stand out. It's also a good idea to keep an eye on what your competitors are offering at the time your mailing goes out.

Giving something for something
The offer of an incentive can lift your pack – especially if it is desirable, non-gimmicky and, most important of all, relevant to your product or services. Perhaps you could lift your direct mail by including a free gift in the pack. Or you could you tie your incentive to the purchase... an extra nudge to buy. If so, it’s a good idea to use a close date on your reply device, thereby providing a sense of your reader missing out on something if they don’t act fast.

A quick checklist of offers...

- 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
Getting past the gatekeeper
One of the major challenges B2B direct mail faces is the gatekeeper, such as a PA. 80% of all B2B direct mail is opened by the gatekeeper, who also decides to throw away 15% before the addressee has even seen it.

Overt, or stealth?
There are ways you can get your direct mail pack past the gamekeeper intact however. Perhaps make it one piece, with the addressees’ name prominent and used in a personal and relevant way. Perhaps you could try the ‘stealth’ approach, and not reveal your pack as direct mail. Perhaps even address the gatekeeper direct. The important thing is to consider how you’re going to get your offer to the person is intended to reach.

What format?
As well as standard formats which project a reassuring and credible aura – formats such as DL, A5 and A4 – there are lots of unusual formats to help you stand out. Square, round, long and thin or anything bespoke. They can make your direct mail jump out from the crowd. Inside, unusual folds and sizes and devices can increase interaction and exposure to your sales messages. Remember, you can feel direct mail. You can use its physical quality to give your offer a real wow factor.

What material?
Then there’s your choice of material. As well as paper and card, you could try vinyls, plastics, laminates, canvas, CDs and DVDs, even memory sticks. Going for the obvious may not always be your best solution. You should, however, always remember the impact your choice of size and material has on the cost of your postage, as we will see later.

Integrating with digital media
Think about combining direct mail with digital marketing. Such an integrated approach can improve the effectiveness of both your direct mail activity and your e-mail or online marketing. Increasing people’s exposure to your messages by a variety of media will increase the visibility of your offer, and improve your results. The important thing is consistency, and ensuring your printed and your digital marketing are reflective of each other.

Find inspiration
When you yourself receive an interesting piece of direct mail, or see an unusual format or material, why not keep it safe so you can refer to it next time you are planning a direct mail campaign of your own?
Making it all happen
Your office computer is likely to be powerful enough for you to conduct many of the tasks required for a B2B direct mail campaign. You could certainly contribute to the writing, designing, addressing and sorting of your direct mail. But is this really the best use of your time? Do you really have the expertise to avoid the pitfalls, and to exploit every opportunity available to you?

Choosing and using expertise
There are many specialist suppliers covering all the elements that combine to produce a successful B2B direct mail campaign. For certain parts of the project you will find that they can do the job better, faster and more cost effectively than you can.

Business list suppliers
The selection of a first class list supplier is a key priority. The best can provide up-to-date lists of business contacts relevant to your needs, and which and will also comply with data protection and privacy legislation. Many list suppliers, including Experian, enable you to select and purchase your marketing lists 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 hold and maintain it for you and look after the detail leaving you free to concentrate on growing more 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.

Printers
Not every printer will have an understanding of the requirements for producing good direct mail, so select the ones with the right experience. A knowledgeable printer can advise on how to produce material more cost effectively and will also be a mine of information on paper, envelopes, formats and size of pack.

Mailing houses
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 houses**

Fulfilment describes activities relating to the handling of responses from your campaigns. Typically a fulfilment house 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 you. For smaller businesses they could be a better option than having to commit to staff and premises to carry out these jobs.

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**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.
Minimising your biggest single cost
The accuracy of your name and address data can have a big effect on the cost of postage. Accurate addressing and postcoding can substantially reduce the cost of your postage.

Benefit from 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 effect the price you pay.

Consider hand delivered
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 geographical location. It's very effective for local area promotions and free product samples. Whilst it is cheaper, it can however be perceived as low quality.
Staying within the law
Like everything else, B2B direct mail is governed by various legislation and legal requirements. You’ll need to know what these are before embarking on any direct mail activity.

Data Protection
Data protection ensures that personal data about an individual is processed in accordance with legal requirements, in order to protect the rights of the individual. Even in B2B direct mail, you need to be aware that you are dealing with some of the details of people’s private lives and that such details must be handled with care and respect.

Your first obligation is that you must register with the Information Commissioner. If you hold even employee details on file you should be registered anyway but as soon as you hold details of individuals and companies the need becomes even more pressing.

Your legal obligations
All companies holding personal data must comply with the eight Data Protection Principles of the 1998 Data Protection Act, which 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

If you have not notified the Information Commissioner or if you need to see the greater detail of the eight principles visit the website at www.informationcommissioner.gov.uk

There are less obvious responsibilities for users and processors of data. For example if you supplied your data to Experian for cleaning or profiling purposes, you would have a responsibility to the people on your database to check that Experian is going to take due care with 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.
What happens if you do not comply?
If you do not comply you can be prosecuted. The penalties for deliberate noncompliance are huge. The Act imposes requirements on both company and staff and individuals can be prosecuted for noncompliance. This is specifically true of directors and managers who are deemed responsible 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 Commissioner that could put the 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, honest and truthful. The Authority protects the public by ensuring that the rules in the British Codes of Advertising and Sales Promotion are followed by everyone who prepares and publishes advertisements.

B2B direct mail is covered by the codes. The ASA covers 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 code are available from the ASA. For this and more details 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 areas of the law relevant to B2B direct mail...

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
Trades 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 offer of loans or credit
Financial Services Act – covers the sale of investment products

Avoid contacting those who’ve opted out
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.
Enjoying the fruits of your efforts
B2B direct mail is all about results. Whilst it offers a proactive and positive method of reinforcing your brand, B2B direct mail offers can produce sales, leads, appointments, fresh data, expressions of interest and all kinds of responses. So how will you handle those responses?

Do you need a fulfilment house?
Could you handle a peak of extra activity? Could you easily enter responses on to the database? How will you manage money transactions? Will you be able to turn around responses in 48 hours? If not, you should consider an external fulfilment house.

Handling responses
Information packs should go out within 48-72 hours of receiving the enquiry while the leads are warm. For direct product sales the accepted norm is delivery within 21 days. Doing it quicker can give you the edge.

Measuring results
It’s vital therefore that you are able to measure your results, so that you can refine your future activity to improve the way you do things and increase the effectiveness of your activity. If your objective was to sell, then the key success criteria is likely to be profitability. To calculate this you simply subtract the total costs of the campaign from the revenue generated.

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.

Reply card, phone... or microsite?
As well as the traditional means of responding – through a postable reply card or telephone – a more effective and manageable option may well be by directing responders to a microsite or landing page. This online option enables 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 reported direct to you using web analytics tools, so that you can monitor the effectiveness of your direct mail activity.

Asking for a response by email or by SMS (mobile phone text) can also be effective. Giving your prospects or customers a choice of ways to respond will help improve your results.
Ask yourself these questions before you start your next direct mail campaign. The answers will go a long way in dictating the success you will enjoy.

- Who will this campaign go to?
- How do I want my customers to feel about my product/service?
- Do I want the message to be multifunctional or focused on one key asset?
- What does the campaign have to do?
- What is the key message?
- Are there any specific challenges to overcome?
- What will success look like?
- How will I track this?
- How do I want people to feel about this campaign?

We're here to help
As the leading providers of insight and information to business in the UK, Experian can help you make the most of your direct mail activity. We provide a dedicated Business Information service and a wide range of prospecting, intelligence and analytical resources. These include:

- The quick, simple way to build business and marketing lists, sourced from data on over one million UK business locations so you can target the best prospects at www.b2bprospector.co.uk
- Business information and intelligence to increase your opportunities for success at www.experianbi.co.uk
- Free access to marketing insights which you can personalise for your interests at www.experianbi.co.uk/insights/marketing-insights
- Data validation and cleaning products to improve the quality and ‘mailability’ of your data at www.experianintact.com

Contact Experian today
We can help you make sure your next direct mail campaign enjoys the best opportunities for success.

For more information, call 08700 12 11 11 or email business-information@uk.experian.com

Experian has the UK’s largest business database (the National Business Database) with over 4.2 million business records. Our B2B marketing division helps organisations find, develop and manage profitable customer relationships. We offer a range of data services that include world-class business lists, data hygiene, enrichment and analytics.