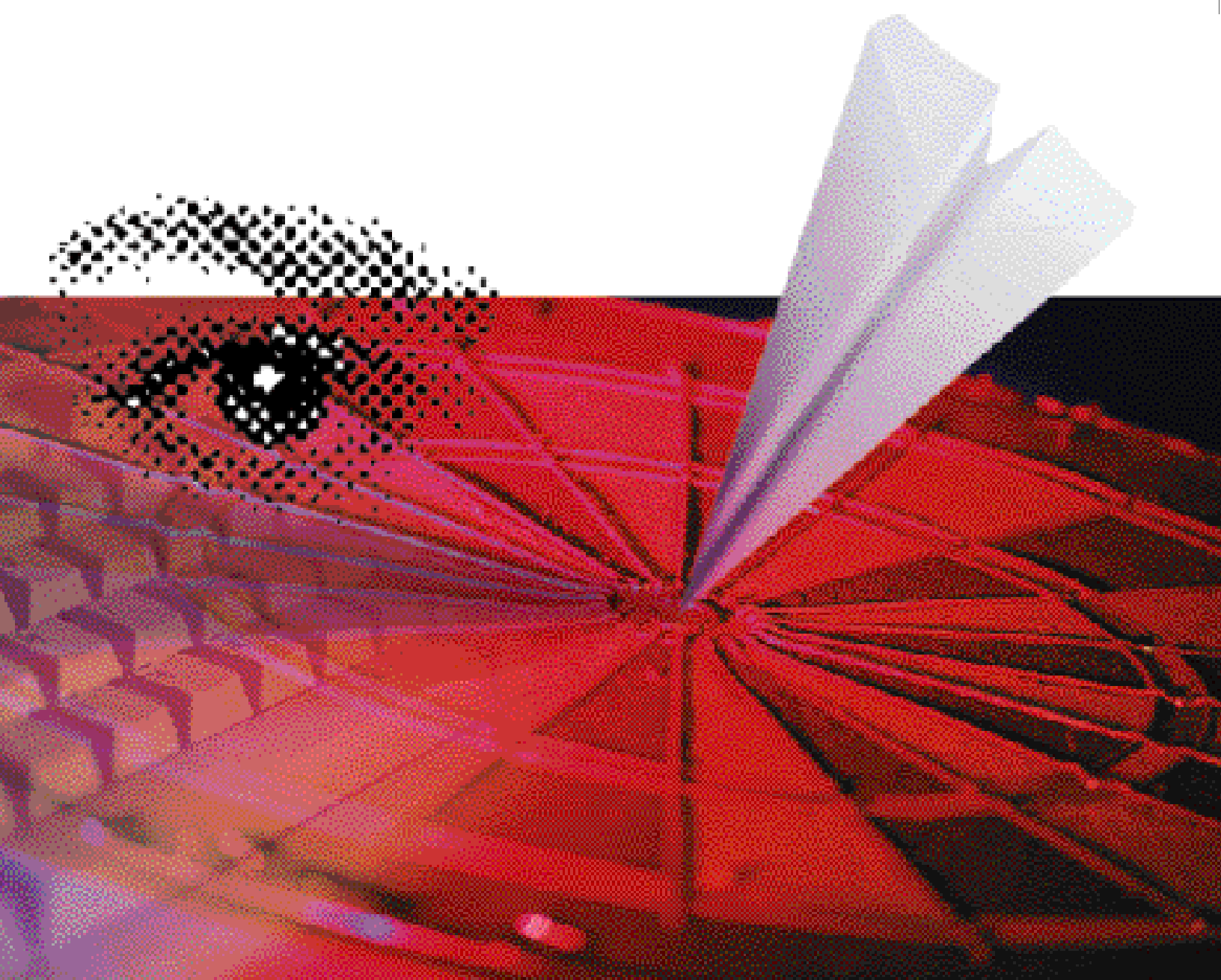


5 Easy Steps to Direct Mail Success

YOUR GUIDE TO THE FUTURE OF DIRECT MARKETING



How you can reach us

For service and information, small business customers may call
our Business Access Hotline: 1 800 260-7678 or visit our web site at:
www.canadapost.ca

**Customers served by a Canada Post
Representative may contact them directly,
otherwise please contact the
Commercial Sales Office nearest you:**

ATLANTIC DIVISION

BUSINESS ACCESS NUMBER
1 800 260-7678

QUEBEC DIVISION

BUSINESS ACCESS NUMBER
1 800 260-7678

CENTRAL AREA

EASTERN ONTARIO OFFICE
1424 CALEDON PL BOX 29
OTTAWA ON K1A 0C1
(613) 734-2807

CENTRAL/NORTHERN
ONTARIO OFFICE
25 PETER ST N
ORILLIA ON L3V 4Y0
(705) 327-1604

KITCHENER/WATERLOO
HAMILTON/NIAGARA OFFICE
33 WATER ST N
CAMBRIDGE ON N1R 3B0
(519) 624-2880

SW ONTARIO OFFICE
395 WELLINGTON RD S
LONDON ON N6C 5Y0
(519) 685-4900

TORONTO OFFICE

700 – 1 DUNDAS ST W
TORONTO ON M5G 2L5
(416) 204-4216

SCARBOROUGH OFFICE
1860 MIDLAND AVE
SCARBOROUGH ON M1P 5A1
(416) 755-9681/2954

MISSISSAUGA OFFICE
4567 DIXIE RD
MISSISSAUGA ON L4W 1S2
(905) 206-5365

WESTERN AREA

WINNIPEG OFFICE
266 GRAHAM
WINNIPEG MB R3C 0K2
(204) 987-5300

EDMONTON OFFICE
1200 – 10020 101A AVE NW
EDMONTON AB T5J 4J4
(780) 944-3039

CALGARY BUSINESS CENTRE
6100 MACLEOD TRAIL SW
CALGARY AB T2H 2Y8
(403) 974-2260

PACIFIC OFFICE
111 DUNSMUIR ST
PO BOX 2110 STN TERMINAL
VANCOUVER BC V6B 4Z3
(604) 662-1524

For general enquiries
and information, call our toll-free
Customer Service
number: 1 800 267-1177

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Why Direct Mail?

It's not a secret weapon any more. Over the last few years direct marketing has undergone explosive double digit growth. Marketers are diverting funds and resources once earmarked for general advertising to direct marketing. Why? Because the direct approach works, plain and simple. Most importantly, unlike mass media practitioners, direct marketers know why their campaigns work by measuring results. And more and more, direct mail gives them that competitive advantage because you...

Know who you're talking to

Direct mail allows you to target your message to a select list of the most receptive consumers based on criteria you establish. This is proven to be an effective way to lift your response rate.

Know how to talk to them

Direct mail allows you to customize your offer to a specific target, and to talk to that person "one on one", with an appeal and presentation that's custom tailored to them.

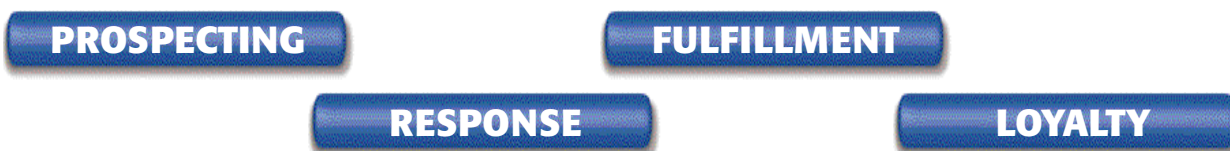
Know what works...and what doesn't

Direct mail allows you to learn what works and what doesn't, through an arsenal of testing and fine tuning techniques. That makes it a powerful marketing tool like no other.

Know how to satisfy a need

Direct mail allows you to establish a relationship with a prospect, nurture that relationship using personal information your prospect willingly provides, and ultimately satisfy that person's need. And satisfying needs is what marketing is all about.

Throughout this guide, you'll find valuable "nuts & bolts" explanations of the 4 pillars of direct mail -



Direct mail is no longer the exclusive domain of a select group of companies from a handful of industries. Nor is it unnecessarily complicated, or out of reach for your budget.

After all you've read about the direct mail phenomenon, you know that direct mail works.

Now, read on and find out how to put it to work for you.

How to Use this Guide

The 5 steps of this how-to manual are colour-coded and feature quick reference cover tabs for each section.

GETTING STARTED CREATIVE PRODUCTION FULFILLMENT CANADA POST



Look for this icon throughout the following pages.

It indicates a link to the diskette included at the back of this guide. On it, you'll find handy tools for all of the tasks that need to be accomplished for your direct mail program to be a success. All you need is Windows '95 and Office '97 alternatively Word '97 and Excel '97.



Also look for the 'HOT TIP' icon. Here you'll discover helpful hints to make your direct mail program more effective.



Canada Post offers products and services that are ideally suited for a direct mail campaign. See where they can work best for you in the direct mail equation of Prospecting, Response, Fulfillment, and Loyalty.

Timely success. Always keep in mind that a typical direct mail campaign could take at least 8 weeks and more from conception to final mail drop. Planning and implementing each of these stages can often overlap or occur simultaneously...

STEP		WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8
1	Marketing Plan	█							
	List Selection		█	█	█				
2	Copy & Layout		█	█	█				
	Art Assembly & Film			█	█	█			
3	Datawork					█	█	█	
	Printing					█	█	█	
	Lettershop							█	█

With so much work to do, **STEP 1, Getting Started**, is obviously an important one, because it provides the solid foundation on which you build your direct mail success story... and what better place to start than with a well-thought out Plan. Turn the page and **let's get started!**

STEP 1

Getting Started

You've got an excellent product and service that you think will sell well to your potential customers. You would like to implement a direct mail campaign, but where to start?

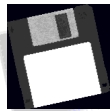
START WITH A PLAN

What you know about your customers and/or prospects should determine the direct mail campaign you design. How well you organize what you know or assume about your product, the competition, and the market in order to achieve your objectives within budget, will determine the rewards you reap from your existing (or potential) customer base.



A helpful template guide "Getting Started" has been included on the diskette found in this guide. Here you can answer the questions you need to ask yourself as you develop your direct mail campaign.

See the "Getting Started" guide on diskette



WHAT IS THE SITUATION?

Getting the current situation down in writing will help you sort your thoughts out in your head, and put you on the right path.

Background. You need to concisely outline how you have arrived at the current situation, and state in general terms where you need to go from here.

Competition. You don't need to convince yourself you are better than your competition – you already know you are! But the competition isn't all that bad either. Here you need to state honestly who they are and how they compare.

Objectives. Primarily, direct marketers are interested in a respectable **return on investment** (ROI). It's important then that your objectives be both measurable and realistic, because at the end of the day, ROI determines the success of your direct mail campaign. ROI focuses on how much you spent to accomplish your stated objectives while meeting an allowable **cost per order** (CPO). You put a lot of time, money and effort into your campaign, so it's only natural to expect to be rewarded accordingly. When developing objectives, it is necessary to keep in mind what level of responses your fulfillment systems can currently handle. Every marketer's dream is a 100% **response rate**, where

everyone who receives your mailing piece replies, but if it overloads your sales force or your shipping department, all you end up with is dissatisfied customers. Remember, the response rate alone doesn't tell you the whole story. One direct marketer's 1.5% response may be far more profitable than another's seemingly impressive 35.5% response rate.

See the "Getting Started" guide on diskette

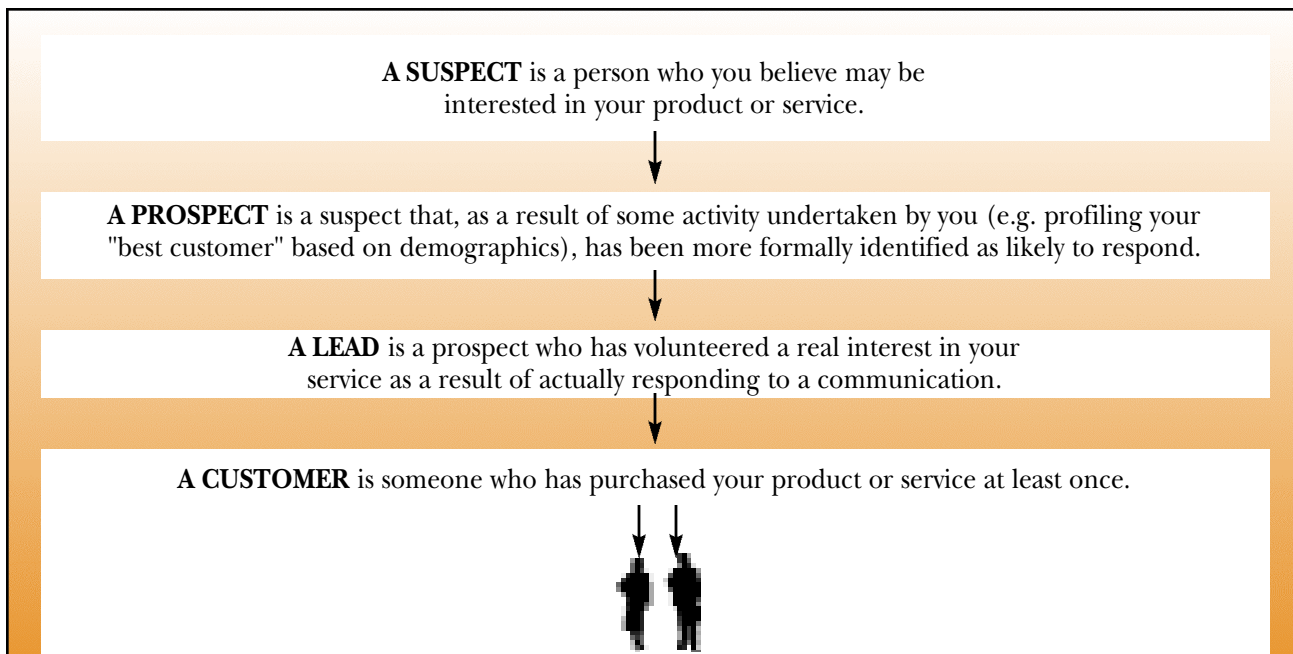


WHO IS YOUR TARGET AUDIENCE?

Direct mail programs allow marketers to target people with whom they have previously interacted as well as people with whom they have had no previous interaction with at all.

There are four basic classifications of targetable groups:

SUSPECT • PROSPECT • LEAD • CUSTOMER



The more precisely a direct mail program is targeted, the less wastage there will be. The mailing piece must be seen by as many potential buyers of the product and/or service – and by as few non-potential buyers – as possible.

The bottom line? *Successful direct marketers must fish where the fish are most likely to be.*

Who is your target audience?

As a highly targetable medium, direct mail can reach specific individuals who have an interest in or a need for your product. Gender, age, and household income are just a few of the variables that can be factored into your targeting strategy. Are you looking for a 30- to 40-year-old recreational skydiver, with an annual income of \$75,000+, who is a member of a private golf club, and collects vintage Bordeaux wines? No problem!



Pick and choose your customers with precision targeting and pinpoint accuracy

With *Unaddressed Admail*, you'll be mailing to geographic areas. With *Addressed Admail*, you'll be targeting your existing customers and specific individuals with an interest in your product or service. **See Step 5, "Canada Post—With You All The Way"** for more information on these services.



What does your product do for them?

Why does your target audience have a need for or interest in your product? Will it save them time and/or money? Is it the best thing since sliced bread? If you've got a story to tell, there's no better way to tell it than through direct mail because direct mail allows you to explain your product and service, using as much detail as required.

What mailing lists will be used?

List selection is a vital decision in any direct mail effort. If your mailing is poorly targeted, your chances for success are virtually non-existent. There are approximately 2,500 Canadian lists available for both consumer and business-to-business direct marketers. In addition, there are about another 500 U.S. lists with Canadian selects available for Canadian direct marketers to use.

YOUR MOST IMPORTANT LIST (AND USUALLY THE MOST RESPONSIVE) IS YOUR OWN CUSTOMER LIST (ALSO KNOWN AS YOUR HOUSE LIST)

Lists are rented, not purchased – and that means you are only allowed to use the list once, unless a prior arrangement has been made. By employing randomly seeded names in their list, it is very easy for list owners to determine whether list renters are using their lists appropriately. However, once people respond to your mailing, you can start building your own list, to use as you wish. List owners will usually make their lists available through a list broker and/or employ a list manager to act on their behalf.

Besides your house list, there are essentially two types of lists for the direct marketer to choose from: response lists and compiled lists. Be aware that you need the approval of the list owner before you use ANY list.



Response lists

- Consist of people who have a common interest
- All have *responded* to direct marketing efforts in the past

Compiled lists

- Reach virtually every consumer or business in Canada
- Compiled from various data sources, including addressing & demographic information

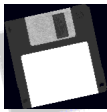
The key difference between response lists and compiled lists is the fact that response lists consist only of people who have previously responded to direct marketing efforts. Therefore, a direct mail program using response lists will almost always pull a higher response rate than the same program using compiled lists. This is also the reason why response lists typically command a much higher list rental fee.

Ordering lists.

Given that targeting is probably the single most important advantage of direct mail, choosing and renting lists becomes vitally important. This is a very complex part of the industry, with hundreds of companies involved, but it needn't be the downfall of your campaign. The easiest and most prudent way to complete this task is to contact two or three list managers or brokers (a list of which is available from the Canadian Marketing Association - CMA), and ask for a list recommendation.

This recommendation should consist not only of a fax of datacards (a page giving a brief description and vital statistics of a mailing list), but should also include justifications for the use of each list. Why did they recommend these lists? What are the pros and cons of these lists? If your marketing instincts tell you not to rent a particular list, don't rent it – your instincts are probably correct. The hard part for you will be filtering the possibilities, not evaluating the recommendations.

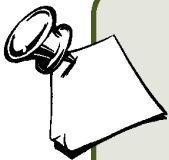
See the "Getting Started" guide on diskette



WHAT ABOUT THE SELL?

Selling Proposition. What is your key message or USP (Unique Selling Proposition)? Remember – the more desirable your offer is to the reader, the more irresistible it becomes to respond ASAP. Whatever the USP, it should be reinforced and repeated on every piece of the direct mail package so that the letter sells, the brochure tells and finally, the reply card compels.

The Offer. The role of the offer is a crucial one – it will have a substantial impact on how well your target audience responds to your mailing. The offer includes several aspects, all of which can dramatically influence the response rate of a campaign. It includes the product or service, the price and payment terms, and any incentives and specific conditions attached to the proposition.



Make the RIGHT OFFER to the RIGHT PERSON at the RIGHT TIME

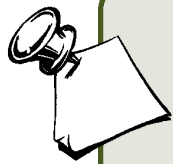
Why is the offer so important? Because the right offer can sell virtually anything. And the right offer often means the difference between the success and failure of a campaign. In fact, it is not uncommon for an offer to improve response by as much as 100% for the same product or service with the same creative!

Make them an offer they can't refuse!

Here are some examples of the types of offers you may want to consider for your mailing:

- 🔴 **Basic Offers:** Free trial, money-back guarantee, bill-me-later, installment terms, free shipping & handling
- 🔴 **Free Gift Offers:** Free gift for inquiry, free gift for trial order, free gift for buying
- 🔴 **Free Offers:** Free information, free booklet or video, free demonstration
- 🔴 **Discount Offers:** Discount, short-term introductory offer, early-bird discount
- 🔴 **Sale Offers:** Seasonal sales, reason-why sales
- 🔴 **Sample Offers:** Free sample, nominal charge sample
- 🔴 **Time Limit/Quantity Limit Offers:** Limited-time offer, charter membership (or subscription) offer, limited edition offer
- 🔴 **Guarantee Offers:** Extended guarantee or warranty, double-your-money-back guarantee
- 🔴 **Build-Up-The-Sale Offers:** Multi-product offer good-better-best offer, add-on offer
- 🔴 **Sweepstakes Offers:** Drawing-type sweepstakes, lucky number sweepstakes, "everybody wins" sweepstakes
- 🔴 **Club and Continuity Offers:** Positive option, negative option, automatic shipments
- 🔴 **Specialized Offers:** Trade-in offer, member-get-a-member offer, purchase-with-purchase, post-dated cheques

Source: Profitable Direct Marketing by Jim Kob @1991. Used with permission of NTC/Contemporary Publishing Group, inc.



Experienced direct marketers sometimes use several different offers to different target groups, sometimes using different offers for the same target group (e.g. a free trial with a gift for a limited time) all in an effort to overcome consumer inertia. Be careful, however, not to confuse the consumer with too many different offers.

Supports. A direct mail campaign can use all sorts of supports to boost overall effectiveness. For example, do you have any special events planned (grand opening of a store, an upcoming seminar series etc.?). Any activity which reinforces awareness of your direct mail, or promotes recall and retention of your offer, will inevitably lift response rates.

See the "Getting Started" guide on diskette



ALWAYS CHECK THE DIRECT MAIL FUNDAMENTALS

Before moving on, try a quick run-through of the following direct mail fundamentals:

Response. How do people normally respond? (By phone? By mail? By mail and phone?).

Urgency. Why should the prospect respond promptly? (Note any deadlines or closing dates, etc.).

Payment. How can the prospect pay? Will different payment options have different effects on response? For example, it may be easier to give a credit card number than send in a certified cheque.

Tracking. How will responses be measured? Do I measure the efficacy of the list, the payment option, the offer?

Testing. What testing are we doing? What are we trying to learn? (refer to “Testing” in Step 2).

Fulfillment. How will orders be processed? (Step 4 covers fulfillment in detail).

Technical Considerations. Are there any size or colour restrictions, corporate guidelines?

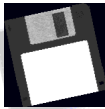
Mandatories. What must appear in or be incorporated into this creative (trademarks, legal disclaimers?).

Timing. Direct mail gives you control over when to promote your product or service. You decide when to mail, how often to mail, and how to make your mailing schedules tie in with your objectives. Because consumers favour certain times of the year to purchase particular goods and services, you’re in the best position to judge the appropriate mailing periods for your products. However, always keep in mind that the timing of your mailing definitely has an effect on the response you get, so you may want to consider testing different periods and comparing results. Timing tactics can make or break a campaign, so make sure you’re: Specific... Aggressive... Strategic... and above all, **REALISTIC!**



Talk to your Canada Post representative to determine which product or service will best meet your timing and budget requirements.

See “Direct Mail Financial Worksheet” on diskette



AND PAY PARTICULAR ATTENTION TO YOUR BUDGET

Budget. One of the things that make direct mail such a standout medium is the ability it gives you to thoroughly track and analyze the results. There’s so much you can do, in fact, that aside from the cost, the sky’s the limit.

When determining the budget for your direct mail campaigns it is important to keep in mind your return on investment (ROI).

Because you track the responses of your campaign, you know exactly how much revenue was generated. This means you also know the gross profit generated, since it is usually just a percentage of total sales. Because you know how much you spent on your direct mail effort, you also know what your profit is – total and per unit.

To help you, we have included a “*Direct Mail Financial Worksheet*” on the diskette. After you enter the pertinent numbers, this worksheet will calculate the gross profit of the campaign, the total cost for every response you receive, the break-even level by *number units* and by *response percentage*, and your return on investment (ROI) at a given sales level.

IT’S ALL IN THE NUMBERS...

$$\begin{array}{r}
 120 / 3,500 \\
 \times 100 \\
 \hline
 3,4 \%
 \end{array}$$

Here are some common formulae used by direct marketers:

% response rate = # responses / # of pieces mailed x 100

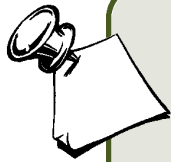
Cost per piece = budget/no. of pieces to be mailed

Number of orders required to break even = budget/profit per order

At this point, you have completed the “*Getting Started*” guide on the diskette. You should now be in a position to determine what you can and cannot do on your own.



You're never alone when you have Canada Post behind you.
Call us at 1-800-260-7678 to find out how we can help.



The CMA (Canadian Marketing Association) and industry publications have a red book of reputable agencies, companies and individuals with whom you can outsource different aspects of your campaign as required. CMA has a website at www.the-cma.org and can also be reached by calling (416) 391-2362 ext. 235.

Are you ready to go?

So now you know your product well. You know who should be your likely potential customers for your product. You know what your objectives are, and have established a well-thought out plan. Now's the time to decide what type of creative approach and what kind of offer will be effective in attracting the interest of your target audience, always keeping in mind your original objectives while sticking to the plan.

*You're ready to take the next step. Let's have fun with **STEP 2,***
Getting Creative - The Big Idea...

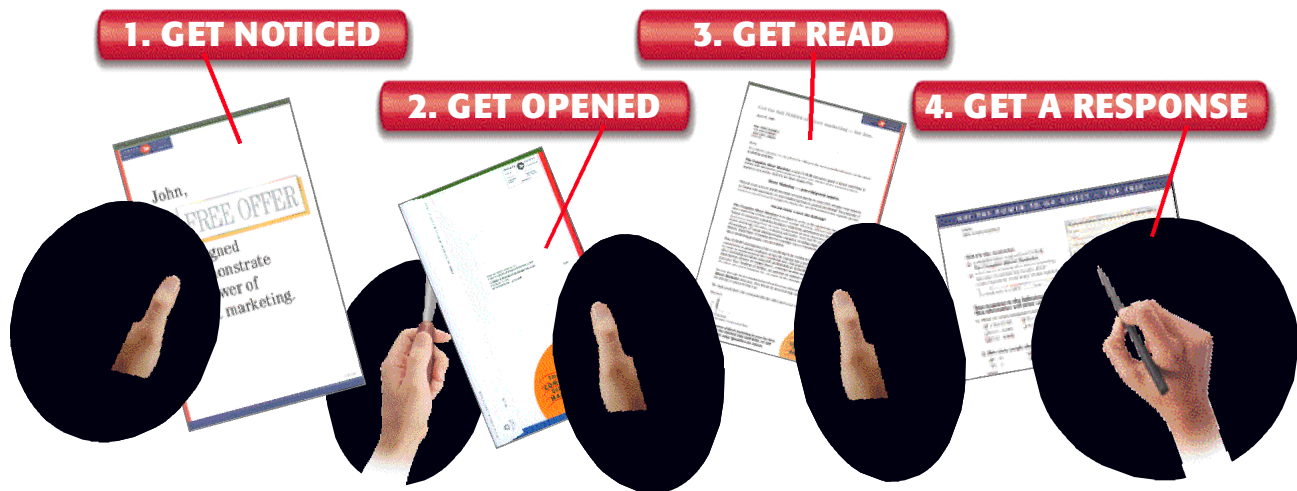
STEP 2

Getting Creative – The Big Idea

You've already put a lot of work into strategic planning (see Step 1). Now the fun begins!

The role of direct mail creative is to produce an immediate action on the part of the reader, usually after a single exposure.

To convince the consumer to act, your direct mail package must pass four vital tests, each of which represents a greater commitment on behalf of the consumer than the previous test. To be truly effective, your package must:



Finally, keep in mind that “being creative” could involve just about any or every facet of a direct mail campaign – from list selection, to personalization techniques, to constructing the offer, to the format of the individual package components.



The more personal a mailing piece looks and feels, the more attractive it will be to your audience, and the more likely it is to get read.

1. GET NOTICED DIRECT MAIL ART DIRECTION

The purpose of graphic design in direct mail is threefold:

- 1 Attract the reader's attention;
- 2 Make the words communicate with the least effort on the part of the reader;
- 3 Illustrate the products and services clearly and concisely.

Direct mail creative is not an artistic outlet for the designer.

Before you sit down to design a package, it is best to play with blank paper first. Fold or cut it and sketch visuals to make sure that each piece of the package is designed for maximum impact. Each piece serves its own function and should be designed accordingly; to be consistent without becoming monotonous should be the goal. Elements in the package, each with a unique character, add spice and variety for the reader and therefore help to peak his or her interest.

A PROVEN WINNER - The Classic Direct Mail Package

The classic mailing format is the staple of the direct mail business. Commonly mailed in a No. 10, 6" x 9", or 9" x 12" envelope, the complete package usually consists of 5 elements:

THE OUTER ENVELOPE



THE BROCHURE



THE LETTER



THE ORDER FORM



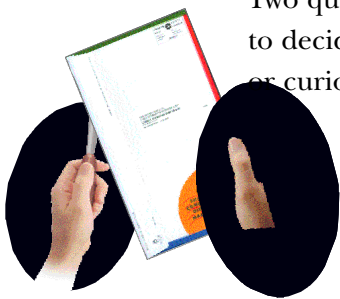
THE BUSINESS REPLY CARD OR RETURN ENVELOPE



Production factors such as size, format, and printing run must be considered before you design a direct mail package. You can design the best mailing piece the world has ever seen, but if you can't produce or mail it within your budget, it won't further your cause.

And with the right budget, there are many "bells & whistles" you can add to your package to make it stand out from the crowd – you can do things with direct mail that you simply can't do with any other medium. Involvement devices (e.g. stickers, tokens, seals, die cuts, 3D objects) almost always help boost response. Direct mail is the only communication medium that will allow you to capitalize on all 5 human senses and all 4 dimensions (including time).

2. GET OPENED THE OUTER ENVELOPE



Two quick seconds is all the time it takes for the recipient of your direct mail package to decide whether he or she will open it. So the challenge is to arouse enough interest or curiosity for the recipient to want to read the contents.

Different shapes, colours, sizes, and teaser copy can all make your outer envelope stand out from the crowd. Whether a direct mail package is built around a standard No. 10 envelope or a 6" x 9" or a 9" x 12", or some other more unusual size, the envelope can have a tremendous bearing both on results and costs.

When mailing to your house list, it's important to make sure they know it's from you (your company, your brand). If they've bought from you before, they're more likely to be positive toward your future mailings. You also have a chance to make them feel they are part of an exclusive club.

When mailing to prospects, teaser copy generally works better than your company name, unless you feel your identity will positively affect the audience. Teaser copy hints at what's inside in a provocative way (often by mentioning a strong benefit), enticing the reader to find out more.

3. GET READ COPYWRITING FOR DIRECT MAIL

The tone and manner of your "voice" throughout the mailing pieces is a key factor to the success of your direct mail effort. The way you present your company and what you're selling to your target audience must be pre-planned and well-thought out right from the start. And your creative approach can be as varied as the types of products and services sold through the mail.

It is important to start the copywriting process by organizing your thoughts... figure out what you want to tell your audience about your product. Design an outline of titles and sub-titles, and fill in the body copy later.

How to evaluate direct mail copy

- Does the writer know the product? Do benefits rule over features?
- What about the market? Is the copy aimed squarely at the reader?
- Does the package make a promise to the prospect, then prove that the promise can be fulfilled?
- Does every piece get to the point at once? Is that all-important promise made right away?
- Is the copy specific to the selling proposition?
- Is the copy clear, concise and not overwritten?
- Is the copy enthusiastic? Does the writer obviously believe in the product?
- Is the copy complete? Are all questions answered?
- Is the copy designed to sell? Or is it designed to impress the reader with the writer's ability?

Also keep in mind that, depending on your target audience, your mail package may need to be adapted to a different language after it has been finalized. It is important to allow for this in your timeline.

If somebody says "That's a great mailing.", you've got the wrong reaction. What you want to hear is, "That's a great product (or service). I'd love to have it."

Finally, don't rely on the consumer to do your work for you – ask for the order. Stress that the recipient will lose out by not completing that order form and returning it immediately.

3. GET READ THE LETTER



The letter is the heart & soul of any direct mail package.

The letter is where you appeal directly to your prospect, or talk to your customer.

No other form of advertising offers such a direct, personal link between the advertiser and the consumer. It is important for the copywriter to establish a personal relationship between the buyer and seller, and the letter is the best place to do it.

While your copy should be concise, make sure you tell the whole story. Do not leave out any benefits, no matter how minor they may be. You never know what might convince a reader that your product is something they must have, or your service is something they need. In addition, the letter should always look like a letter.



Your letter should always include a P.S. (postscript). The majority of people will read the P.S. before reading anything else, so it's best to state your offer again there. Never put anything in the P.S. that can't be found in the body of the letter. This is not the place to be introducing new ideas to the reader.

Ideally, the letter copy should follow this outline:

- 1 Promise a benefit in your headline or first paragraph – and make sure it's your most important benefit.
- 2 Immediately expand upon your most important benefit.
- 3 Tell the reader specifically what they are going to get.
- 4 Back up your statements with proof and endorsements.
- 5 Tell the reader what they might lose by not taking action.
- 6 Rephrase your prominent benefits in your closing offer.
- 7 Incite action.

3. GET READ THE BROCHURE – Where You Tell Your Story

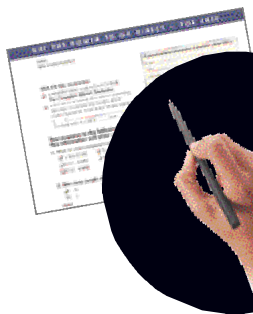
A successful brochure must meet 4 requirements:

- Capture the product's exciting features
- Guide the reader through the sale step-by-step
- Explain the product or service benefits thoroughly
- Handle all potential questions in advance

Typically, the brochure falls into one of three categories:

- 1 **The folder** brochure is often just an 8.5" x 11" sheet folded in thirds, although it can be much larger and folded a great variety of ways. This is a flexible, inexpensive format that is ideal for a short selling story.
- 2 **The booklet** format can be used to help tell a long story. This format suggests more permanence than a simple folder and is less likely to be thrown out without being read first. However, this format does not suggest urgency – because it is so long, the reader may put it aside for later, and then never get back to it.
- 3 **The broadside** is an oversize sheet, usually printed in full colour. It can be designed in 2 ways. One resembles a poster with each side of the sheet telling a complete story of some kind. The second presents the story piece by piece in a storyboard format as the reader unfolds the broadside.

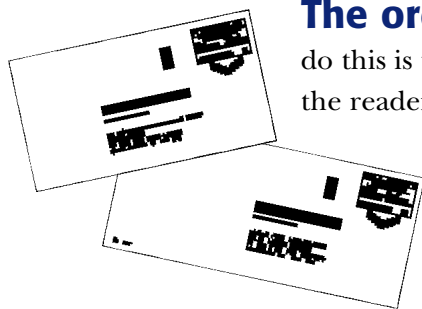
4. GET A RESPONSE THE ORDER FORM – The Response Mechanism



If your prospect decides to act, it is very important that the order form make it fast and easy to respond.

Any good order form consists of 5 key elements:

- 1 The offer
- 2 The price
- 3 The method of payment
- 4 The mailer's address
- 5 A reminder as to why they should act now



The order form must be set out clearly. The easiest way to do this is to restate the proposition from the customer's point of view, and lead the reader through it step by step. Extra care must be taken to ensure the order form is error-free and as concise as possible.

It is best to have more than one response method. Different people prefer to respond in different ways. Older people prefer responding by mail to responding by phone.

If you are mailing to business people, a fax-back order form may be more convenient for them. Suffice it to say, the more options you give your audience, the higher your response will be.



Canada Post's *Business Reply Mail* service is an excellent response vehicle – trusted, confidential and so convenient. **See Step 5, "Canada Post – With You All The Way"**, for more information.

TESTING: Fine - Tuning Your Creative Approach

Is it your best? – Test, test, test! Direct marketers often rely on testing to *ensure* that their campaigns will be profitable *before* they reach the market. Provided the test was executed properly, the direct marketer will stand a much better chance of success. Tests can measure the precise business impact of each key element of a campaign (e.g. format alternatives, copy alternatives, offer alternatives, pricing alternatives, targeting alternatives, etc.).

With testing, direct marketers are able to do two very important things:

- Select the most profitable mix of elements for the campaign's rollout
- Accurately predict the rollout response rate

Designing a Test Cell Table

Also called a test matrix, a test cell table allows you to compare response rates of different segments of your target audience. There are three steps in developing a test cell design:

1 Establish a control package

If you haven't done so already, select a combination of elements that will be your control mail package. This is usually the best responding combination of elements you have found to date. If you have no previous benchmark, use a classic direct mail package.

2 Decide on test parameters

Next you decide what elements of the package you wish to test (e.g. a particular offer, a certain list, or a different creative approach).

3 Develop the table

Develop a table that lists the elements you wish to test as column headings. Add rows, changing only one element at a time, and cycling through all of the variations of that element. Each row added will represent one test cell.

The chart below shows how many test cells would be required if the direct marketer wanted to test three lists (A to C), two different offers (1-2) and two creative approaches (i & ii).

TEST CELL DESIGN EXAMPLE

TEST CELL	LIST	OFFER	CREATIVE
01	A	1	i
02	B	1	i
03	C	1	i
04	C	2	i
05	C	2	ii

Remember that the purpose of the matrix is to allow the user to measure the effect on response for each variable, not to measure the response of every combination of elements. While only five out of a possible 12 combinations have been tested, this matrix isolates every possibility for each variable to gauge its effect. The first three cells test lists, while the other two variables remain constant. The next two cells test the second offer and the other creative format respectively, while the list remains constant.

Some Testing Ground Rules

Make sure your test cell design makes sense. The "rule of thumb" is that the test cell design must allow you to isolate the impact of each of the variables being tested. Otherwise, the direct marketer will have no idea as to what variables are contributing to the lift in response, and what variables are having no impact. This does not mean that every single combination of test elements needs to be tested, only that enough individual cells need to be tested so that all the variables can be isolated for their impact.

In designing test cells, other considerations need to be addressed:

- 1 **The test cells need to be homogenous.** This means that each cell needs to have a close-to-identical audience mix so that the result of each cell can be compared to others with confidence. For example, a test cell should not consist of 90% men if your overall target group is split 50/50 between men and women.
- 2 **The test cells need to be representative of the overall target group.** For example, if the average income of the whole target group is \$35,000 it would make no sense to have the test cells composed of only customers with incomes of \$60,000 and higher.
- 3 **Make sure you can properly record the results from each cell.** Each test cell needs to be assigned a separate source code so that all responses can be attributed to their specific test cells. In the case of 1-800 number responses, each test cell should have either a unique number or a unique extension to one common number.
- 4 **Make sure you conduct the analysis completely.** Some approaches may be better at making an initial sale, but may attract the type of customer who will be less valuable over the long term. On the other hand, other approaches may attract fewer but better quality customers. So track future transactions with the customer by the original source code to get a complete picture of the long-term value of a particular group of customers.
- 5 **Make sure you constantly strive to beat your control package.** Constantly test new creative, targeting and offer approaches (individually and in combination with each other) in order to attempt to "dethrone" the best control package.
- 6 **Make sure your test designs are statistically valid.** Each cell within the test cell design must contain a large enough number of respondents in order to be statistically significant. Obviously, the bigger the number in each cell, the greater the validity.

WHAT TO TEST. Seasoned direct marketers know that there are five major areas which are worth testing:

<p>Pricing and payment terms tests. Here the direct marketer is not necessarily searching for the best response rate, but for the best combination of response rate and profitability. The situation can get complicated when returns are factored into the analysis. For example, a higher price may appear to provide the best level of profitability. But later, when the trial period has elapsed, his cell may have a lead of returns which wipes out its advantage versus other lower priced cells. Different payment terms (e.g. endorsed payments "bill me") may also impact results.</p>	<p>Copy tests. Copy approaches can vary enormously and can produce a wide range of results as well. For example, a direct marketer may want to test 2 copy approaches in selling a new premium credit card. A problem solution approach may focus more on all the card's insurance benefits such as trip cancellation or out-of-country medical by dramatizing what could happen to travelers who don't have the best of coverage. A lifestyle approach could focus on the high credit limit being extended to only a privileged few on a pre-approved basis. Same credit card, but two very different copy approaches which could produce two dramatically different results.</p>
<p>Premium tests. Direct marketers are well aware that the addition of a premium (such as a free gift offer) can spike response rates by as much as 100%. But not all premiums produce the same types of results and of course, not all premiums cost the same. Naturally, the best premiums are the ones which have a high perceived value and a relatively low cost.</p>	<p>List tests. Direct marketers are always searching for better targeting alternatives from outside lists and from different segments of their customer database. List testing must never stop because of something known as "list fatigue". List fatigue occurs when the direct marketer has used a particular list so much that just about every potential prospect has responded and trying to bring in further response from the list will be fruitless.</p>
<p>Creative format tests. Decisions on what size outer envelope; how much personalization; how many doors to use; how many panels the brochure should have; or whether additional pieces should be added to the package can all have a significant impact on both results and costs.</p>	

Bringing it all together. Now that you've settled on your creative approach and know what type of testing you'd like to do, the work really begins! It's time to start producing – to start putting into physical form all the pieces of your direct mail package. *Keep your eye on the ball because coming up fast is: **STEP 3,***

Getting the Job Done Right – Production

STEP 3

Getting The Job Done Right

The production stage can vary greatly, depending on the size and complexity of your marketing effort.

Looking after every detail of a complete direct mail campaign simply cannot be done single-handedly.

The production process involves **three** activities which are done simultaneously, and are all closely related to the final production of a physical example of the mailing piece:

1. FOLLOWING UP ON THE CREATIVE STRATEGY

You must ensure that the resulting creative concept is achievable in 3 key areas:

ON-TARGET

ON-BUDGET

ON-TIME

2. CHOOSING POTENTIAL SUPPLIERS

The suppliers you select to produce your mailing must not only be within your budget, but must also be trustworthy. While price is important, it's best to achieve a happy balance between quality, speed, service, and economy. And remember, if the price sounds too good to be true, it probably is.

You need two suppliers for your direct mail campaign...

Your printer

More than just printing your mailing piece, your printer should consult with you about the technical aspects of your particular application, specifically in these 3 areas:

- Printing process – a good printer will advise you on the best printing process for your particular application.
- Paper selection – the type of papers (or stock) used, should reflect the tone and manner of your creative approach.
- Ink selection – a key consideration... For example, special inks are required if laser printers are used to personalize the mailpiece.

Your lettershop

Your lettershop will be the other crucial supplier with whom you'll be working closely. Lettershops offer complete mailing services while performing 4 main functions, namely:

- Ensuring that all addressing and customizing is done correctly
- Inserting the various direct mail components into envelopes
- Affixing the appropriate postage
- Presorting, bagging and coding mailings for Canada Post distribution

Some lettershops offer even more:

- List selection
- Datawork
- Programming for personalization
- Personalization by laser or ink jet printing
- Bursting, trimming, folding
- Creative services

3. MANAGING THE VARIOUS STEPS

To keep track of everything that is happening simultaneously in the production process, production managers use three essential documents called control sheets. The decision to use these three basic control sheets could make or break your entire direct mail effort:

Job Control Sheet

Itemizes each piece in the mailing package with fill-in information on everything from size to delivery date.

Production Estimate

Itemizes estimated costs for every facet of production from studio to printing to datawork to postage.

Production Schedule

Charts timeline progress of every production process.



Templates for these forms have been included on the diskette. We urge you to use them. They'll save you time and money.



If you are using outside suppliers, have them assist you in filling out the control sheets. It will make your life easier, and will ensure you are all at the same place when the time comes to begin production.



HANDY TIPS FOR PRODUCTION SUCCESS

- Brief your production team early
- Make a dummy mock-up of the mailing package
- Weigh your mailing to ensure you have budgeted for the correct postage
- Ensure proper tracking of responses
- Prepare for proper source coding
- Call your 1-800 number BEFORE printing
- Pay postage early
- Prepare an action plan in the event that response volume is TOO HIGH
- Reply to your own mailing
- Involve your sales & telemarketing teams – prepare Q&A
- Direct mail is complex – make sure everything is in writing

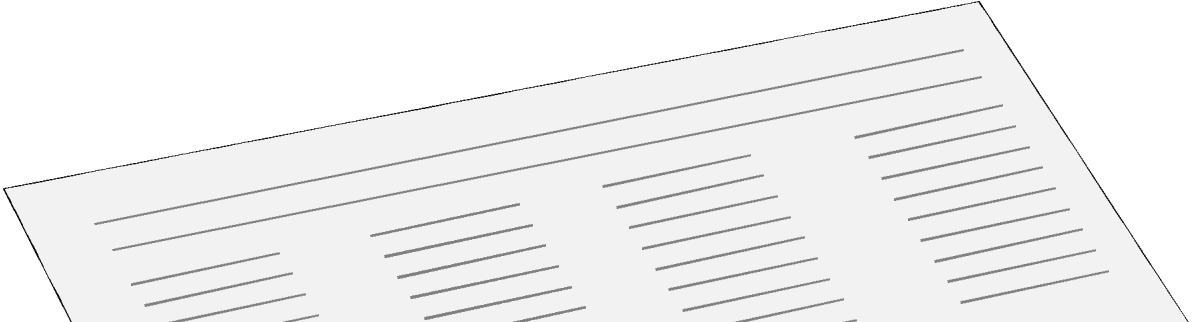
Data Preparation

Proper preparation of your mailing lists is the most important part of the production process.

If your mailing piece does not get to your intended audience, all your hard work will be for naught. Therefore, if you can't effectively prepare your mailing list yourself, it is important to contract a reputable lettershop or data processing house that can prepare your data properly for you.

Here are the key terms in data preparation:

FIELD	RECORD	DATABASE
A single piece of information contained in a record (e.g. a name, an address, etc.).	A collection of FIELDS related to one another, usually concerning an individual or a company.	A collection of RECORDS.



Here are the necessary steps for proper data preparation:

- 1 Obtain an initial list dump.** A list dump is a printout of a random sample of your rented and/or house list names that shows you exactly what each record looks like in the file. There are a number of things you need to check on the list dump:
 - Do the records comply with the requirements you set when you were targeting? For example, are they from the correct geographical area? Are they the right gender?
 - Does the data "look" fine? For example, if you are mailing to French-speaking individuals, are all the accented characters printing out correctly? Are names, titles, or addresses cut off?
 - Is the data complete? Are all the fields you need actually there? This is particularly important with business-to-business files where you might have an individual's title, company department, suite number, etc.
- 2 Include your seed list.** The seed list consists of names and addresses from your company (and perhaps the lettershop) that will receive the mailing in addition to your audience. This is important from a quality point of view to ensure that once the mail drops, everything happens as it should.

- 3 **Process your database using Address Accuracy software.** When using various Canada Post services, your database must be checked by Address Accuracy software that is approved by Canada Post. This software verifies that the addresses within your database are in a format that will ensure the quickest, most efficient processing possible by Canada Post.
- 4 **Complete a merge-purge.** Here various lists are combined into one, and any duplicate names between the lists are eliminated. Get a sample of a sizeable number of names from a specific geographical area to determine the effectiveness of the merge-purge.
- 5 **Segment your file.** This step is needed if:
 - Different groups of people are receiving different versions of the mailing piece (e.g. English vs. French, customer vs. prospect, etc.), or
 - You wish to identify response rates among different groups of individuals within the file (e.g. male vs. female, Ontario residents vs. Alberta residents, etc.).

At this stage, the now-consolidated mail file is sorted into the various groups necessary.

- 6 **Append your source codes.** A source code is a series of characters included in the record that is then printed somewhere on the response device of the mailpiece. It tells you precisely where a certain response came from. Each segment is given a different source code. One of the hallmarks of direct mail is the ability to track the sales that result from a specific initiative, but in order to do this, source codes must be included on the response device.
- 7 **Do a final check.** To complete a final check of the database you have developed, obtain a list dump of every segment, and carefully confirm that all the changes required have been made correctly.
- 8 **Test your personalization.** If the mailpiece is being personalized, a personalization test should be run to make sure that the name and address block is formatted and positioned correctly. The lettershop creates 10 random samples of each element of the package that is being personalized (e.g. mailing label, letter, response device, etc.). If your outer envelope has a window, ensure you can see the complete address through it. If your mailing consists of mailing pieces with different layouts, test each mailing piece to make sure they are all fine.
- 9 **Complete a presortation.** When using various Canada Post services, your mailing must be presorted. *Mail presortation* is the focus of sequencing, grouping and containerizing the mail items enabling Canada Post to bypass various steps/facilities within its mail distribution network. Your cost savings, particularly on large mailings, can be substantial.



Have you covered EVERYTHING? This production checklist will help...

Direct Mail Production: A Step-by-Step Summary

1. Select suppliers, if needed.
2. Brief your production team.
3. Obtain an EXACT MOCK-UP of the mailpiece.
4. Order OUTSIDE LISTS if necessary. Prepare house list if necessary.
5. Begin DATA PREPARATION. After merge-purge of names is completed, determine your final print quantities and postage cost.
6. Order paper. Specify number of OVERS (extra samples) required.
7. Prior to printing, OBTAIN FILMS.
8. PRINTING begins.
9. Begin PERSONALIZATION TEST.
10. Begin PERSONALIZATION.
11. Begin LETTERSHOP TEST. Ensure all the pieces are prepared and pre-sorted properly.
12. Begin LETTERSHOP.
13. Pay POSTAGE.
14. DROP MAIL at Canada Post.
15. Begin FULFILLMENT of orders. (See Step 4 – “Delivering The Order”)

It's in the mail! Now what? Congratulations. You've done a lot. You're at the stage where your direct mail package is out there – arriving as an individual message and special offer to every one of the existing and/or potential customers you've so carefully selected. But even though every step might have gone smoothly until now, all your hard work may count for very little unless you're prepared for the next step... **STEP 4,**

Delivering The Order – Fulfillment

Smart fulfillment adds the cherry to a successful campaign – receiving & processing the order while keeping the customer 100% satisfied and asking for more! Turn to the next section to see how it's done right.

STEP
4

Delivering The Order

The day your mailing is delivered by Canada Post, you must be ready to process orders (or leads, as the case may be).

From the customer's point of view, the ultimate test of any direct mail effort is the fulfillment system. Flexibility is the key. Large companies that traditionally sell to wholesalers can be easily overwhelmed by the hundreds or thousands of small orders resulting from a direct mail campaign. As with the



production process, there are many companies that provide fulfillment services. So the first step in the process is to do an honest assessment of your company's ability to fulfill all the orders you are receiving efficiently.

Make it happen FAST...

While rapid fulfillment of orders may seem like a fairly simple process, it is really quite involved. The secret to success is tight system integration.

In your customers' eyes, all your computers, software, soft-talking sales representatives and personalized direct mail pieces are worthless if you cannot deliver what they want when they want it.



See the *Fulfillment Process Flow Chart* on page 28.

PROCESSING ORDERS - DAY 1

By the end of the first twenty-four hours, the order has been qualified. Order qualification means that the payment has been assured, the item number is correct, and the ship-to address is confirmed.

In the case of mail orders including cash, cheques or money orders, it's best to verify the order, collect and deposit the remittance, and enter the order into the computer within a matter of hours after opening the mail each day. Credit cards can be verified during this period as well.

PROCESSING ORDERS - DAY 2

The second day is equally hectic. If the item requested is out of stock, it's imperative that the customer be notified. Customers must be told the item has been back-ordered and when the current situation will be resolved. Then customers must be asked whether they want –

- i To have their money refunded; or
- ii To order a substitute item; or
- iii To wait for the item to be re-stocked and then shipped.

Shipping labels and packing slips are automatically generated. The inventory system must be posted to show the availability of items. And even at this stage, the customer could call up and cancel the order, or ask for a change in the quantity or colour. The system has to be responsive up to the last minute. Your warehouse must stock products, packing materials and packing slips indicating the type of packing for the shipment (e.g. what special shipping and handling is required for fragile goods).

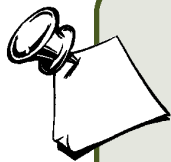


The last step is producing the shipping manifest. This is a report that lists all the packages that the shipper is to pick up each day, where they are to go, and how much they weigh.

Dozens, hundreds or thousands of packages could be shipped daily. Some items go by regular mail. Others go by overnight delivery. The customers and/or the product may determine the routing.



Canada Post's Distribution Services have a range of products to suit the needs of you and your clients. See Step 5, "Canada Post – With You All The Way".



FULLFILLMENT IS CRUCIAL! It's a good idea to do a fulfillment "dry run" prior to sending out your mailing. After the mailing has been completed, respond to the offer yourself to see the type of service your customers will be receiving. If you find a bottleneck, make changes to the process immediately. To make direct mail success a reality, you must set high standards for fulfillment and live up to them.

After shipping... there's more.

Final shipment is not the end of the process. Daily reports must be run: back order reports, inventory reports, status reports, banking reports (i.e. credit cards, cheques, returns, bad cheques and so on), order activity reports and source code reports (i.e. which media ad or type of customer call produced which orders). These daily reports are vital to let you know exactly what is happening: where things need improvement, where the problems are, and from where the profit is being generated.

Contingency plan

So your mailing has been a runaway success. In fact, a much greater success than you predicted. Now the question is "How do I fulfill all these additional orders, quickly and efficiently, to keep ALL of my customers satisfied?" The answer is to develop a contingency plan, "just in case" the response to your mailing is much higher than expected. The most basic of these would be an apology letter explaining the delay and thanking your customers for their patience. Beyond that, these plans usually involve lining up additional resources in the areas where bottlenecks are most likely to occur.

Steps to make fulfillment work properly

Electronic payments. Tie your data entry to your payment system electronically. There are several services in Canada that will give you instant turnaround on credit card authorization.

Good software. Spend the money on good computer software. Fast turnaround is the result of streamlined operations where computers do most of the thinking and most of the work.

Pay off. Getting literature, samples or products out the door in 24 hours is only one objective of fulfillment. The other objective is sales: converting these samples and literature into orders, and converting product shipments into repeat business.

Bounce back. Make sure that every outgoing product or sample package contains literature and an order form. Put source

codes on the order forms so that you know which orders resulted from "bounce-backs."

Follow-up. Build in an automatic follow-up system which invites customers to tell you how they liked the service, and asks them for additional orders. Your computer must be programmed to know when to send that follow-up message. Again, code the order forms.

Spot checks. Spot check your system with telemarketing follow-up in such a way that you can find out what you do well, and what areas need improvement.

Tracking. Make sure you know exactly how many orders are coming in and at what rate. Be sure to keep daily, weekly or monthly records showing response curves, as required.

Canada Post – with you every step of the way. As you follow the steps outlined in this guide, you'll soon discover that there are many complexities and subtleties to direct mail. Some steps require more time and effort than others. Many of the steps overlap and intertwine – if you begin with a Marketing Plan that allows you to achieve your objectives within budget... if you're sure of your target audience and confident in the product or service you want to sell... if you're ready to adapt your creative approach to maximize the impact of your mailing... if you produce a package that makes the most of the tantalizing variety of formats available... and finally if your fulfillment service is second to none – you will indeed enjoy direct mail success.

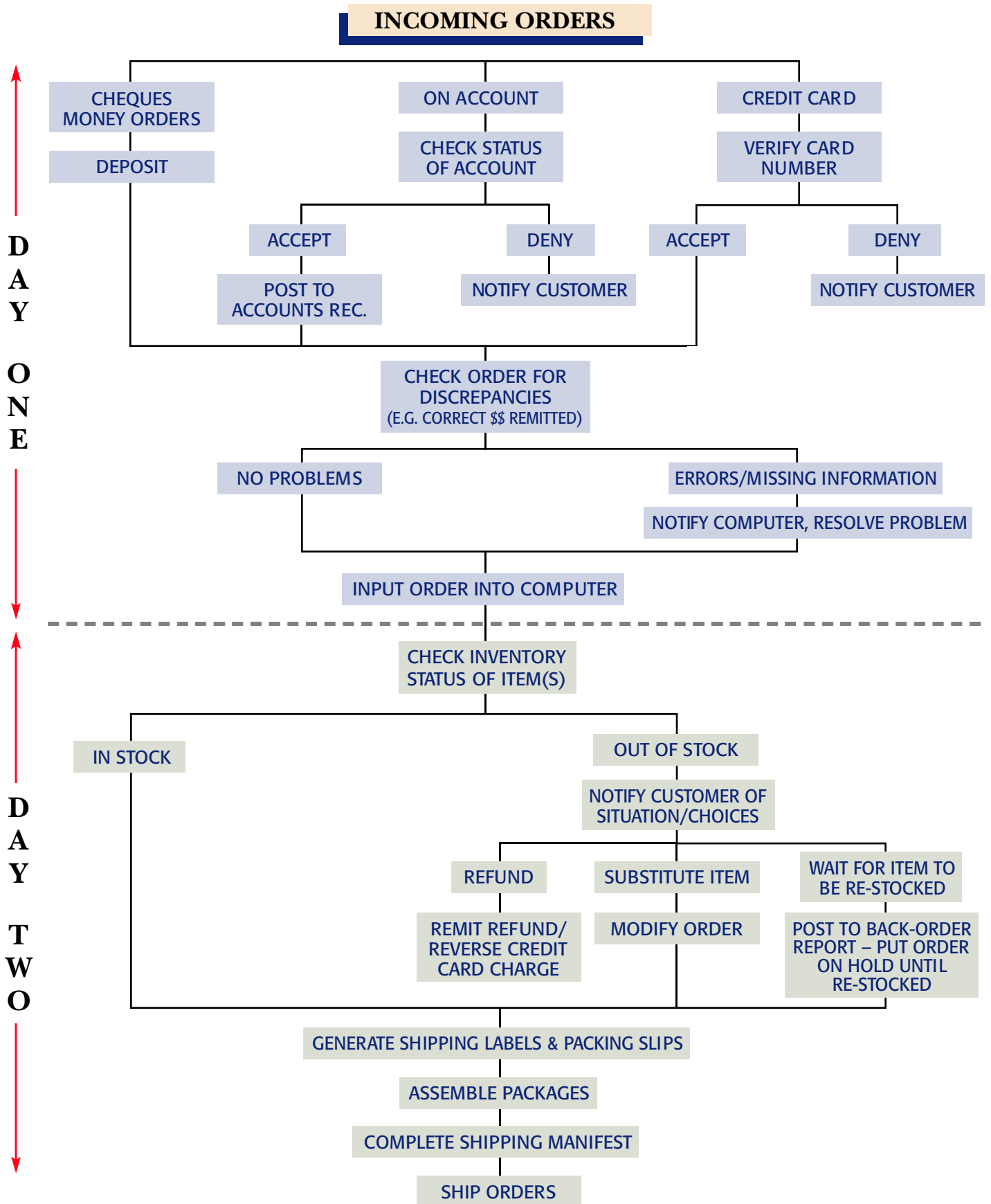
See "Direct Mail Campaign Checklist" on diskette



Make the most of the "**Direct Mail Campaign Checklist**" found on the diskette. If everything checks out OK, you're well on your way to success!

Canada Post can help you surpass your goals. You'll find yourself consulting time and time again the next step, **STEP 5. Canada Post – With You All The Way.** That's because we have the services you need to execute a successful direct mail campaign in Canada. **Good luck and much success.**

FULFILLMENT PROCESS FLOW CHART



STEP
5

Canada Post

With You All The Way

Canada Post offers a wide range of products and services that are very important to the success of your direct mail campaign and ultimately to the success of your business.

Whether you are prospecting for leads, receiving customer orders, fulfilling those orders or ultimately reaping the benefits of customer loyalty, Canada Post can help you every step of the way.

The previous sections of this “how-to” guide provided you the finely detailed steps to direct mail success. This section highlights how Canada Post – your direct mail partner – can help you ensure your mailing reaches your audience as smoothly, quickly, and cost-effectively as possible.

In fact, whatever your direct mail needs are, we’ve got them covered. As you search for the most effective way to find new prospects, choose the best delivery channel for your message, fulfill customer requests and reward customers for their long-term loyalty, Canada Post provides the services that make the most sense for your business.

GO DIRECT

Consider these 4 basic pillars of direct mail and how Canada Post’s services are ideally suited for you in the direct mail equation of **Prospecting, Response, Fulfillment, and Loyalty.**



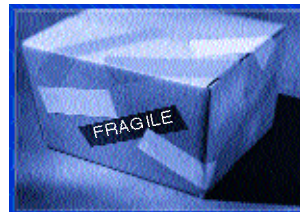
PROSPECTING

Canada Post offers **Addressed Admail™**, **Unaddressed Admail™** and **Lettermail™** services to meet your prospecting needs.



RESPONSE

Business Reply Mail™ is a proven winner that provides your audience with a quick, easy, secure and reliable way of responding to your communications.



FULFILLMENT

Canada Post’s **Distribution Services** give you the power to create a customized service matched to your needs and budget.



LOYALTY

With **Addressed Admail™**, **Lettermail™**, and **Publications Mail™**, your customers know that you've made the extra effort to communicate directly with them.

Each Canada Post service has particular strengths that can boost your overall direct mail success.

Read the following service descriptions carefully and see which are appropriate for your campaign.



Addressed Admail

Addressed Admail is Canada Post's "workhorse" direct mail service. It allows advertisers to tailor their communication to each and every prospect and to communicate with them on an individual basis.

When used in conjunction with a rented list, *Addressed Admail* is a very effective prospecting tool by allowing you to send messages to an audience which has (or is likely to have) an expressed interest in your product or service. And when it is used in conjunction with an existing customer database, it becomes a highly effective loyalty tool to generate repeat sales.

Why is *Addressed Admail* so powerful?

- 1 It's personal.** Customers like to be known as individuals. By personalizing and tailoring your mailpiece to the needs and interests of the individual, you make your message more relevant. That means more sales and an increased return on investment.
- 2 It motivates.** It helps encourage a response from your audience by making a specific offer and providing an easy means for action. It doesn't just generate interest; it can close the sale.
- 3 It's non-intrusive.** With *Addressed Admail*, your target audience can read your message when they're ready. They can then make an informed decision to spend their money wisely.
- 4 It's targetable.** It targets your prospects more precisely than any other medium! Speak to each of your prospects individually on a one-to-one basis whereby you concentrate on your best prospects and customers.
- 5 It's measurable and easy to test.** With *Addressed Admail* you can accurately measure response rates and sales, so you'll know exactly what your return on investment is for each program. And you can also test which offers, creative and strategies work best.
- 6 It's cost-effective.** Because of the precise measurability of *Addressed Admail*, you can focus on programs that yield the highest return on investment.
- 7 It's creative.** Get the creative edge with *Addressed Admail*, which allows you to capitalize on all 5 senses and in all 4 dimensions – including time! Only your imagination and budget limit form and impact.

A highly effective direct mail tool, *Addressed Admail* can increase your sales, boost your profits, increase awareness of your business and generate in-store traffic.



Unaddressed Admail

Unaddressed Admail is Canada Post's most economical prospecting tool.

In fact, *Unaddressed Admail* allows you to target your audience in 4 different ways:

- 1 Geographically.** Deliver your message across the country, the province, or just in your neighbourhood. For local businesses, this means less waste. For larger businesses, this means you can use different messages in different areas to improve your response.

- 2 Demographically.** Birds of a feather do, in fact, flock together. Groups of consumers with traits of your target customers cluster together in neighbourhoods. With *GeoPost™ Plus*, you can target those neighbourhoods with the greatest percentage of people interested in your message. Better targeting means a higher response rate for less money.
- 3 Residential vs. Business.** If you are a business-to-business marketer, don't waste your money delivering your message to residences. *Unaddressed Admail* can restrict the distribution of your mailpiece to either residential or business addresses.
- 4 Part-of-Week.** Having a one-day sale next week? *Unaddressed Admail* can make sure the public knows about it just in time.

Unaddressed Admail lets you take advantage of Canada Post's national address coverage – unmatched in the country. Canada Post covers all urban and rural markets. For example, if you are delivering to apartment buildings, only Canada Post has access to every resident's mailbox, so you can be assured they all get your message. *Unaddressed Admail* means simplicity – one delivery company, anywhere in the country.

Also, you can build in store traffic by using *Unaddressed Admail* to deliver catalogues, coupons, or flyers. You can distribute samples to launch a new product or encourage trial. Use *Unaddressed Admail* to fundraise, generate leads, pre-sell, or build awareness. *Unaddressed Admail* can stand alone or be a valuable part of a multi-media campaign.



Lettermail

Lettermail is Canada Post's premium communication medium. It allows companies to develop targeted, personal, one-to-one communications – which are critical to successful relationship building and customer loyalty programs.

Lettermail may not be conventionally considered as a prospecting tool. However, there are certain instances when it is the best option. For example, suppose a luxury carmaker has decided to rent a list of corporate presidents in order to send them a lead generation mailing for a test drive. This mailing might go out as *Lettermail* because the quantities would be very small and/or because the carmaker might want to put a postage stamp on the outer envelope to make it look more personal.



If you are sending regular invoices or monthly statements to your customers, you are already using *Lettermail* to communicate with them. Since you already have their attention, use it to your advantage by including promotional inserts in your *Lettermail* envelope.

Why use *Lettermail*?

- 1 Reach.** *Lettermail* is the most universally used means of communication. While technology has evolved and e-mail has a presence today, not everyone has an e-mail address. *Lettermail* has no such barrier – *Lettermail* allows you to reach all of your customers, all of the time.
- 2 Impact.** *Lettermail* gets opened. If you cannot get the attention of your customers, your chances of making a sale are very slim. *Lettermail* gets opened and gets a response.
- 3 Security.** *Lettermail* messages are protected from unauthorized access by federal law.
- 4 Tracking.** Has your customer moved without notifying you? You find out fast with *Lettermail*. Mail that is undeliverable to the recipient is returned to you free of charge.

Lettermail can turn a routine mailing into a powerful customer relationship building opportunity and allow you to turn every contact into a potential growth opportunity for your business.



Business Reply Mail

Business Reply Mail is Canada Post's cost-effective response tool. It offers a cost-effective, customer-friendly way for direct marketers to do business. It allows their prospects, leads or customers to respond free of charge to their direct marketing programs – and the mailer only pays for the responses received!

When you use *Business Reply Mail* as part of your response alternatives, you'll see a higher response rate to your campaign, a better return on investment and increased revenues! Best of all, customers like it! Whether the response sought is an order, a payment, feedback on customer satisfaction, or even warranty information, the best method of securing this response is with *Business Reply Mail*.



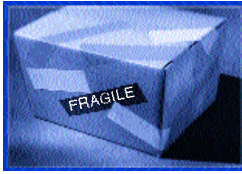
Getting a good response from your mailing is one thing – figuring out why it happened is another. If you are varying your message to different groups, you need to know their response rates so you know what works and what doesn't. So ensure that your response device is coded for tracking purposes.

Business Reply Mail puts forth the positive image of a company with the foresight to offer prepaid postage to its customers. Available in envelope or card format, it can be used alone or in conjunction with a variety of media, such as *Addressed Admail*, *Unaddressed Admail*, *Lettermail*, *Publications Mail* and *Distribution Services*. It can also take the form of a free-standing item on a retail counter rack or as a handout at a checkout counter.



Why use *Business Reply Mail* ?

- 1 It's Direct.** It allows your specific audience to communicate directly with you.
- 2 It's Convenient.** With the postage paid return envelope or card, your customers need only to respond. The postage is already paid!
- 3 It's Non-Intrusive.** It gives customers the chance to think out their decision without additional sales pressure.
- 4 It's Flexible.** Depending on your own requirements, you can opt for a *Business Reply Mail* envelope or card.
- 5 It's Secure and Confidential.** Your customers will have peace of mind knowing that confidential information will be protected when you use a *Business Reply Mail* envelope.



Distribution Services

Getting your target audience to respond means nothing if you can't put their order in their hands when they want it. Canada Post's Distribution Services give you the power to choose from a range of speeds, features, and options to best suit your fulfillment needs and budget.

Canada Post delivers to each and every address in Canada – that includes direct access to post office boxes, rural routes, and remote areas. That's more than any other carrier in the country. Plus, with 7,300 Canada Post retail outlets, your customers can also benefit from the added convenience and security of pick-up at their local retail outlet.



- 1 Xpresspost.** *Xpresspost* is the smart alternative to costly courier. It is delivered the next business day between major regional centres, and it costs an average of 33%* less than next a.m. courier services. We provide \$100 insurance free of charge, and you can check the delivery status of your package by calling 1-888-550-6333, or by visiting our Web site at www.canadapost.ca. Speed and economy, our unbeatable team.

*Based on combined shipments for local, regional and national delivery. Experiences may differ based on individual shipping patterns.

- 2 Expedited Parcel.** *Expedited Parcel* is our fast and economical ground service for volume shippers. When you select Delivery Confirmation as a no-cost option, we'll guarantee your package arrives when we say it will, or we'll give you your money back. We'll also insure your package value up to \$100.

- 3 Regular Parcel.** Our most economical package delivery service, *Regular Parcel* takes a little more time, but costs a lot less money.



- 4 Priority Courier.** When time is money, *Priority Courier* will deliver your package by noon the next business day between major centres nationally, or your money back. Simple as that.



Publications Mail

Publications Mail is the national distributor of choice for newspapers, magazines and newsletters to all Canadian addresses.

To maintain loyalty, direct marketers need to be in regular contact with their customers. Direct marketers need to do everything they can to maintain customer loyalty in a constantly changing marketplace. Newsletters are often one medium of choice.

National Change of Address

Canada Post's *National Change of Address* (NCOA) program helps you maintain your customer database by telling you which of your customers have moved, and where they have gone. Why is this important?

- 1 Cost Savings.** NCOA saves you money by stopping you from mailing a communication to the wrong address.
- 2 Positive Perception.** Your customers will appreciate the fact that you made the effort to look for them. It also demonstrates to your customers how well run and efficient your company's operations are.

Updated frequently from Canada Post's Change of Address database, NCOA is available from selected mail service providers across Canada.

Make Canada Post your invaluable Direct Mail resource...

Plan early... plan surely. Consult Canada Post about:

- **Identifying** rewarding direct mail opportunities for your business.
- **Developing** effective one-to-one relationships with your customers.
- **Discovering** proven methods for gaining measurable results.
- **Maximizing** your advertising \$\$\$.
- **Using** specialized Canada Post products and services developed specifically for direct marketers with proven successes in the Canadian marketplace.



The enclosed **"Services at a glance"** summary sheets provide additional information on Canada Post's family of direct mail products and services.

Some Final Thoughts...

Seasoned Marketers will never tell you that direct mail is the easy road to success, but it can be a very rewarding one (and a whole lot easier!) if you follow the steps outlined in this guide.

Like a symphony orchestra, your direct mail is composed of many complex elements and it's up to you, the maestro, to bring direct mail music to your customers' ears! **Good luck and much success.**

For more information, call us at **1-800-260-7678**
or visit our web site at **www.canadapost.ca**



In Business to Serve

