

# DIRECT

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A quarterly marketing publication from The Hacker Group

## Credit union invests in its future

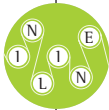
*How BECU successfully introduced itself to communities across an entire region*

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b2c

Talk about a marketing challenge! Until recently, BECU was known as Boeing Employees' Credit Union. Then, as a result of new legislation, it opened its doors to all residents of Washington State and was rebranded simply by its initials, BECU. At the same time, the credit union opened many more doors — most of them in Safeway stores. This expansion represented a major cultural change for BECU. They were going retail!

Enter direct mail.

BECU made the shrewd decision to target consumers near Express Service Centers. They went out with two messages: You are now eligible to enjoy all the benefits of belonging to a credit union, and there's a branch right in your neighborhood.

BECU also elected to mail a four-phase program. In a highly flexible approach, the first mailing, designed to drive traffic to the new Express Service Centers, consisted of a

colorful postcard with visuals of young, attractive consumers and co-branded by BECU and Safeway. Handy grocery list magnets and free canvas tote bags were tested as offers — each tying in the Safeway affiliation. Both offers helped create awareness for BECU.

The second phase of the program began the actual acquisition part of the plan. The package was mailed to a list of Safeway Club Card holders with a known affinity to Safeway. Targeting Safeway customers overcame the major hurdle of getting them into Safeway stores. They only had to walk over to the Express Service Center to try BECU.

Designed to appear as if mailed by Safeway, the package included an offer for a \$5 Safeway Gift Card when customers stopped by and said hello at the Express Service Center. The creative and offers for this mailing leveraged Safeway's affiliation with BECU to

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### Who knew a credit union could be so much fun?

To speak directly to a new, wider audience, BECU took on a fun and very personable look. Happy, carefree images announced the credit union's expanded availability. This bright, new look also complemented the offer tests. ▲



## A PERSONAL NOTE FROM

### ▶ THE PRESIDENT



SPYRO KOURTIS, *President*  
THE HACKER GROUP

“You’d think it would be a no-brainer to give readers as many easy ways to get back to you as possible if you want to make a sale . . .”

Dear Colleague,

I’d like to talk about people for a minute. Generally, they won’t do anything they don’t have to do. We all know it.

That fact is one of the basic tenets of direct marketing. We work with it every single day.

It’s our job to get people to act. Action is work. Most people don’t like work. That’s the basic psychological challenge you and I are faced with every day of our professional lives.

That’s why it’s a no-brainer that **you have to make it convenient for individuals to respond to your mail packages** by providing them with multiple response options: mail, phone, online and fax.

Well, you’d think it would be a no-brainer to give readers as many easy ways to get back to you as possible if you want to make a sale – but not necessarily! We had a client who sold photo and video images. Most of their sales transactions were done on the Web, so they were convinced that the only reply method required was the Web. But their theory didn’t take into account my original premise: **People are lazy.**

We proposed a mail response option test. Our findings even surprised us! **We generated over 30% more leads by adding a BRC to the campaign.**

Also, most people scan their mail, so they are going to miss your call to action, your offer and your whole point unless you make them painfully obvious. If you can count the amount of times you mention the offer and call to action in your package on one hand, you need to go back and add more.

Don’t assume that recipients will work hard to find the offer or call to action. Don’t assume they’ll read your mail package front to back. That’s too hard. Repeat everything important throughout all elements.

We had a client who felt that repeating the offer was offensive to the readers’ intelligence. So we tested it: One version repeated the offer twice. The other version *repeated the offer seven times*. **The version that showcased the offer seven times had a 24% lift in response.**

The moral of both stories is the same: If you want to get people to act, you have to understand them and make life easy for them. But to get lazy people to respond, you can’t be lazy yourself.

Here’s to your success!

Spyro Kourtis



## We've updated The Hacker Group Web site!

A fresh, new look and  
even more information:

- New case studies
- Added resources and white papers
- *High Performance Direct* archives
- News, events and announcements
- Expanded capabilities
- Job postings and more!

Check it out today at  
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# [ *Clip* Tips ]

Clip these tips for  
**high performance direct!**

## Figuring out franking

The type of postage you use in your bulk mail programs – or the franking, as it is officially called – can reinforce your message and make your recipient more likely to open your envelope.

### Stamps

Stamps are perfect for “personal correspondence.” Use a stamp when you’re mailing to consumers and have a one-to-one message inside or if you’re mailing a greeting card or note. If you’re mailing in a closed-face envelope without a snipe, you’ll also want to use a stamp.

You can still get all the postage discounts for standard-class mail with a stamp – no need to shell out 37¢ for the added authenticity!

### Indicia

For promotional mailings, an indicia is the way to go.

Indicia identify the class of mail and the permit number of the sender. Postage is paid directly to the post office through a permit account established by the mailer.

Use indicia on colorful envelopes, postcards and self-mailers. You’ll get all the benefits of bulk-mail rates without interfering with the look of the package. Indicia tend to “disappear” into the background.

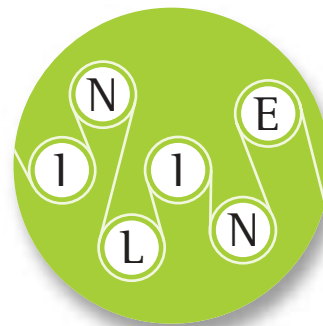
### Meter

Metering is your best bet for official- or corporate-looking B2B or B2C packages. It’s also a good choice for non-profit and fundraising efforts.

Your mail piece may or may not have a message on the OE when using a meter. Most businesses, when sending mail through a mail room, use this style of postage when mailing invoices, benefit statements, press releases and product announcements.

The next time you review creative, don’t forget to check your franking! ▲

# You know about "online" — now learn the advantages of "inline"



Direct marketing isn't all glamorous creative concept development. There are times when real professionals need to get their hands dirty and learn about the production processes that bring their packages to life. Because it's all about creating the next winning control package.

One of the exciting processes out there is *inline production*. It could save you time and a bundle of money — if it's applied and handled correctly.

Simply put, inline production puts a blank roll of paper through a press the size of a train locomotive and creates a complete mail package — printed, personalized, folded, cut and ready to mail. Amazing, isn't it?

And even more special, inline allows virtually every element to be personalized to the recipient, from the outer envelope to the back panel of the brochure.

The final product can — by design — closely emulate a conventional envelope package, although it does look slightly different. The primary difference in appearance is that the "wrap" doesn't look like a conventional envelope. It doesn't have a traditionally shaped flap and it is seamless. Instead, the ends of the wrap are glued and the flap is square and glued too. The flap can be die-cut to resemble a traditionally shaped flap if desired.

## Where inline works hardest

It's generally a matter of scale. Mailings of 250,000 pieces or more often have lower manufacturing cost for inline than for conventional production.

*Inline production can considerably shorten your manufacturing schedule . . . It can shorten your schedule by at least a week — possibly more.*

Here are a few guidelines to tell you when inline will make more sense for you:

- You need to produce a **very limited number of litho versions** or you can use imaging to create versions
- Your mailing quantity is **more than 250,000 pieces**
- You want a personalized, closed-face envelope and a **conventional package is too expensive**
- The elements in your package can be printed on just **two or three paper stocks**
- Your package requires **highly personalized messages** on multiple components

## OK. So what's it cost?

The real bite comes at the front end. The setup time and costs for one of these behemoth presses is gigantic, so

splits are very costly and add time to the schedule. That's why inline is especially good for single-version production.

But once the press is set up and running, **it does everything from printing and trimming to gluing and inserting, so manufacturing time is very short.** The pieces come off the press personalized, inserted and ready to mail. It's all done with a single pass.

## Advantages of inline production

**Fast:** Inline production can considerably shorten your manufacturing schedule. Remember, once the press is set up, the package starts at one end of the press as blank stock and comes off the finishing line as a completed piece of mail. It can shorten your schedule by at least a week — possibly more.

**Inexpensive (depending):** The larger your mailing quantity, the more inline production can save you money. While conventional mailings of large quantities do reach a quantity where the cost per thousand (CPM) flattens out and is low, the production budgets for inline flatten at lower costs, so you can often save 10%–15% over conventional manufacturing.

**Flexible:** The inline process offers an almost limitless flexibility of format size and configurations. The number of folds, number of pieces, and piece sizes

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IT'S NOT THE HEAT IN YOUR OFFER . . .

# It's the **quality** in your

**b2b**

The eternal question for lead generation: **How hot should the offer be?**

You've asked it before. Do you want a big lead pool teeming with less qualified responders? Or would you prefer a smaller pool of possibly more qualified responders? Or would you prefer both? (That's possible too.)

The question has everything to do with the offers you're making. Common wisdom has it that a hotter offer (unrelated tchotchkes with a big "gotta-have-it" factor) will get you a big response. But that same common wisdom says you'll hear loud groaning from your sales force when they have to plow through a ton of unqualified leads to close a single sale.

On the other side of that same road lies the related offer. Just by accepting a white paper or a CD demonstration, your lead qualifies him or herself. Common wisdom says this will give

you a low response rate, but a high conversion rate because the few leads interested in your obscure offer will also want to buy your product.

*“Do you want a big pool teeming with less qualified responders? Or would you prefer a smaller pool of possibly more qualified responders?”*

So which side of the road do you walk down?

Liebert, maker of power and environmental control systems, came up with an answer to those questions in their recent mailing.

To sell their power and temperature control products, Liebert needed to produce a lead generation program. They wanted prospects to raise their

hands — and they wanted as many qualified prospects as they could get. The question was, which side of the road should they walk? Hot offer? Or hot lead?

To find out, Liebert conducted a test and watched the results very closely from response analysis through closed deals. What they discovered was very interesting — and could save you money on your next lead generation program.

## The test: Hot vs. related

To generate leads, Liebert sent out a package in a translucent 6" x 9" envelope through which the recipient could easily see the offer, as well as the Liebert value proposition tease ("There's more to reliable power than meets the eye").

The letter served as the addressing vehicle, visible through one side of the envelope. There was also an offer lift

## DO THIS, GET THAT

It should be very simple. Do this, get that.

Liebert was able to generate their remarkable 8.9% response rate with a few critical — and simple — elements.

### Do this . . . A simple response

In the case of Liebert, the response was an easy survey — four or five questions you could answer in less than a minute.

The responder did not invest too much time in the survey. And it looked easy and commitment-free at first glance.

### Get that . . . A great offer

The FREE Illuminated Pen had a great gotta-have-it factor. The offer has been around long enough that most of us have seen it, but we probably haven't gone out and bought it.

The simple command of "Do this, get that" should be combined with a **simple proposition**. Liebert's target audience of IT decision makers and influencers instantly understood the importance of eliminating power irregularities. This package made two things perfectly clear: the benefit of working with Liebert and the ease of getting the offer. ▲

# response

visible through the other side.

The reply device was the only other element in the package. It consisted of a very brief qualifying survey.

Liebert selected the two offers to be tested specifically for their ability to qualify leads and their known “heat.” The offers were:

- **Hot:** A FREE Illuminated Pen with a powerful LED light in the shaft. It’s fun, it’s irresistible and it’s totally unrelated to power protection.
- **Related:** A FREE Executive Report on strategies for protecting the power flow to critical systems. It’s only valuable to those who are worried about Liebert’s proposition.

## Initial results — What did you expect?

The hotter FREE Illuminated Pen offer pulled in more leads. But that’s not the whole story. The Illuminated Pen pulled in more than 10 times the leads of the more related FREE Executive Report offer.

The FREE Executive Report got an overall response of 0.6% with no cells performing over 0.9%. Not very exciting, even if the leads *are* qualified.

The FREE Illuminated Pen offer resulted in an overall response rate of 8.9% with several cells coming in well over 10%.

“Sure,” you say, “And those leads

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### ILLUMINATED PEN OFFER



*The hot FREE Illuminated Pen offer casts a wider prospect net for Liebert, with a surprising qualification rate.*

### EXECUTIVE REPORT OFFER



*You'd imagine that a highly targeted Executive Report would result in a more qualified sell-through rate.*

## What's in a URL? A lot.

As direct response experts, you have to remember that our goals are to get people to identify themselves and be able to accurately measure our efforts. The best way to accomplish both of these goals is through campaign-specific URLs. Why?

First, people take the path of least resistance . . . and without a specific URL you'll lose a potential responder. Even if you've gone the extra step of creating a custom landing page on your Web site (pat yourself on the back), as many as 70% of people who see a prefix or suffix URL (e.g., [www.company.com/campaign](http://www.company.com/campaign) or [www.campaign.company.com](http://www.campaign.company.com)) will focus solely on the root domain and just enter [www.company.com](http://www.company.com) into their browsers. That's right! Only 30% will follow directions. Can your program take that kind of performance hit?

Second, campaign URLs make it easy for someone to respond and it reinforces the campaign theme or offer. Which of the following URLs would you prefer to type into your browser?

- [www.seewhathappens.com](http://www.seewhathappens.com) or
- <http://www.mitsubishicars.com/galant/seewhathappens>

You can buy a domain for under \$50, and it typically takes just a few minutes to set up.

Remember, direct marketing is all about response and measurement. If your primary goal is to drive brand awareness instead of direct response, then feel free to use a URL extension. After all, 7 out of 10 people will hit your homepage instead. ▲

## Trend Micro beats the odds with a sweepstakes . . . and a bonus!



b2b

Generating leads for a new product can be risky business. Trend Micro needed to find a way to stack the odds in their favor when they brought their new suite of antivirus and content security products to market.

As part of a multi-channel approach to the marketing of their new small business suite, Trend Micro came up with a direct mail effort that was designed to generate as many highly qualified leads as possible.

Past experience had demonstrated that one of the best ways to get leads to self-qualify as highly interested and serious was to offer a free demo download of the product. Those who download demos are far more likely to purchase the product.

The key was encouraging a high demo download rate to increase the overall odds of a sale on every response.

Anyone who has used a computer in the last half decade understands that virus attacks will happen. It's just a matter of reducing the odds that they'll get through and cause harm. That was the key to both the message and the strategy of Trend Micro's small business campaign: stacking the odds.

**The Beat the Odds sweepstakes gave the recipient two ways to win by responding.** First, everyone who downloaded a demo version of the small business suite was entered in a

sweepstakes to win a FREE Canon digital camera. This encouraged the download.

To encourage the download

immediately, the first 50 recipients were given an unrelated premium that had already proven to be a winner for Trend Micro. This campaign used it in a new and, as it turns out, very effective way.

### A design scheme destined for success

The multi-channel campaign used Trend Micro's imagery based on the Chinese game of "Go." The simple, two-color look of the campaign fit beautifully with the needs of a high-performance direct mail piece. Red urgency accents and offer headlines are a classically effective direct tactic.

The outer envelope introduced the "beat the odds" theme with the headline, "We've fixed the odds in your favor." It also made the most of the double offer by showing both.

The letter continued the theme by introducing the sweepstakes for the camera. The premium offer was only available to the first fifty recipients who responded, driving urgency even more.

On the upper right-hand corner of the letter, Trend Micro affixed a Post-it® note with the prominently displayed call to action and the recipient's V.I.P. Code to enter the sweepstakes. Post-its have

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*In lead generation, a sweepstakes with a well-integrated conceptual and product hook can really boost response.*

# The offer rules

*Get them right for winning DM*

*This is the first of a two-part article.*

Think, “Do this, get that.” Your offer is the “that.” It’s what you give away to a prospect or client in return for doing “this” — some behavior you want from your prospect, like buying a product or service, or taking a sales presentation.

The offer can be a tchotchke (gift), a consultation, free information or an experience. It can be related to your product or industry, or it can be completely different. There are rules about what makes offers work, starting with how you speak to your audience.

## 1. Talk to me like you know me.

Make a thorough assessment of what your prospect knows about you and your product. (*Hint:* If you don’t know, assume they know nothing.) Knowing where you are in the prospect’s mind lets you adjust the aggressiveness of your offer.

**2. Keep your friends close — and the competition closer.** In a highly competitive market, you must know what your competition is offering — you’ll need to sweeten the pot or go with a completely different kind of offer or marketing tack to command the market.

## 3. Make people-friendly offers.

We know from thousands of tests in B-to-B and B-to-C sales situations that businesses don’t buy from businesses, *people* buy from *people* for reasons that are personal. That’s why CEOs of top-tier companies respond to offers for pens, calculators, GPS devices and a plethora of other things that they could easily afford. Done right, the offer is perceived as a double-win by the recipient. They get something they may secretly want, and they are serving their company or otherwise gaining value by taking a sales presentation.

**4. No focus groups of one.** Don’t get hung up on giving away Lance



Armstrong posters because you are a cyclist — lots of other people won’t think it’s as cool as you do.

**5. If they don’t know it, they won’t try it.** How would you feel if you were offered a 30-day trial of a high-speed fizzle-widget? Not sure? How about a 60-day trial? Point is, you’re not going to spend time figuring out what a fizzle-widget is, much less whether you want one.

**6. Don’t make it too good to be true.** One successful land program broke simply because the offer value went from \$325 to \$650. It was a great offer too — a 3-day getaway to a ski resort with valuable extras piled on top of the basic vacation. Was it a great deal? Sure! Did it work? Nope. Performance returned when we removed the extras and changed the offer value back to \$325.

## 7. Too big can also be too much.

An offer must be fulfillable — think size, availability, cost of shipping and all the other logistics that can delay delivery. If you can’t fulfill the offer in a timely manner, don’t offer it.

## 8. An offer must be legal.

’Nuff said.

**9. Don’t be rude!** An offer must not embarrass. Not all publicity is good.

**10. Keep ’em on track.** An offer can lubricate the sales interaction, but it cannot replace the process. Therefore, be sure to ask the prospect to do the same thing the salesperson would do (i.e., attend an event, make a phone call, try the product, buy the product, etc.).

**11. Be unique.** A direct mail offer should be something you can’t easily get anywhere else. Otherwise the prospect will say to himself, “Sounds good, I’ll check it out next time I’m in the store.”

*Next time we’ll talk about the best way to put these rules to work. ▲*

## Insiders’ STRATEGIES

### Words to live by — our favorite B-to-B maxims

Here are some of our favorite pearls of B-to-B wisdom. These rules apply regardless of whom your business-to-business audience is.

**Sell salvation, not products.** People don’t want your products; they want what your products can do for them. Remember that!

**It’s the offer.** Offers are the best and fastest way to make an emotional connection. A good offer will not only generate an initial response, but will also generate higher readership for the rest of the mailing.

**Don’t give them a choice.** Confronted with a choice, people will choose not to choose — and that means you lose. Land on a single offer.

**Test all hypotheses.** Don’t guess. Test. The buyer will tell you how they want to buy, **all you have to do is test and let them give you the answer.** The moral: Test your way to higher response rates.

**Avoid objective pile on.** If you hear: “As long as we’re already talking to them . . .” **Just say no!** Every time you pile on another objective, your chance of hitting your primary objective diminishes dramatically.

**Emotion vs. rationality.** Pump as much emotion as you can into your offer. Don’t call a report *All About Our APX-100* when you can call it *How the New APX-100 Can Get You Promoted!*

Any questions? ▲

## You know about "online" – now learn the advantages of "inline"

*(continued from page 3)*

can be widely varied. Any traditional conventional package (monarch, #9, #10, 6" x 9", 9" x 12", etc.) can be produced as an inline package. **Inline also offers some production options that are either not available in a conventional package or are too expensive.** This includes imaging in multiple colors, personalized booklets, dimensional pop-ups and other fun involvement devices.

**Completely personalized:** With inline you can personalize everything. And we all know, more personalization can mean a higher response rate.

**Postage savings:** The cost savings in postage can be huge when creating the versions by imaging in color or black, rather than lasering. This can mean reductions in postal pre-sorts providing significant postage savings.

### One caveat from the father of mass-production

Remember how Henry Ford would say that you could have a Model T in any color, as long as you chose black? Inline has very specific cut-off sizes and configurations. There's no flexibility when it comes to the "rules of the equipment," and those rules have to be followed to the letter. ▲

## It's not the heat in your offer . . . It's the quality in your response

*(continued from page 4)*

swamped Liebert's sales team with a bunch of useless, unqualified tire kickers."

It's understandable that you'd say that. But you'd be wrong.

Remember that qualifying survey included with the reply device? It showed that 65% of the few responding to the Executive Report offer were qualified. But 67% of those responding to the Illuminated Pen offer were also qualified.

**More qualified leads responded to**

**the hot Illuminated Pen than to the Executive Report.** And not just a few more. Over 10 times more!

What did that mean to sales? Look even deeper and that factor of 10 shows up again. Responders to the hot offer accounted for 10 times the actual sales dollars from this simple test program.

Draw your own conclusions about how hot your own lead generation offers should be. ▲

## Trend Micro beats the odds with a sweepstakes . . . and a bonus!

*(continued from page 6)*

proven to be a very effective interactive element on letters.

Trend Micro also included a lift note to highlight the sweepstakes/pen offer again, making an additional appeal to small businesses.

The brochure focused on the odds that any small or medium business would fall under network virus attack, offering the Trend Micro small business suite as the best way to beat those odds.

And it worked.

### The results

Keep in mind that every response to this program consisted of a download, and that meant a highly qualified lead. This package pulled a 2.8% response rate of qualified responders.

The lesson of this program was clear: In lead generation, a sweepstakes with a well-integrated conceptual and product hook can really boost response. Add a bonus urgency offer, and you've got yourself a real winner! ▲

## Credit union invests in its future

*(continued from page 1)*

highlight the convenience of BECU's new, nearby locations.

The third package was also an acquisition mailing. When customers opened a new checking account, they received a free box of checks.

In the fourth and final mailing of the Grand Opening series, the focus moved from deposit products to lending. Customers were invited to open a new home equity line of credit. Because this was a major upsell, the incentive was far richer: a \$100 Safeway Gift Card.

These mailings walked customers through a process that started with a greeting, included a personal invitation and ended with incentives to open progressively more valuable accounts.

The bottom line? BECU used highly targeted DM strategies to help them attract over 20,000 new members to their Express Service Centers.

As BECU learns more from each successive mailing, they make adjustments to the program to continually enhance performance. ▲