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# POWER STRATEGIES

Essential Marketing Strategies  
for Extraordinary Practice Success



YOUR MARKETING ALCHEMY **DIRECT MARKETING** MANUAL

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What can be said but not practiced...  
is better not said.

What can be practiced but not spoken of...  
is better not done.

[So] ultimately [you] will be able to speak without  
trouble and act without disgrace.

– *Thomas Cleary*



Keep it with faith.

Practice it with keenness.

Perfect it with faithfulness...

then, though the task be great, you shall surely succeed.

— Thomas Cleary



# POWER STRATEGIES



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Essential Marketing Strategies  
for Extraordinary Practice Success



# **POWER STRATEGIES**



## **DIRECT MARKETING**



# POWER STRATEGIES: DIRECT MARKETING

Direct Marketing is often a very misunderstood branch of marketing. Many people confuse direct marketing with direct response advertising or mail order. In this section of the program we will define direct marketing and resolve any misconceptions that exist.

Any marketing directed specifically to a targeted client or potential client is direct marketing. Direct marketing incorporates direct mail, direct communications via advertising and direct response advertising. In this way, direct mail, information directed specifically to an intended reader is a form of direct marketing. Telemarketing, communications and selling over the phone, are equally elements of direct marketing. As is TV, radio, some newspaper advertising, magazines and even cooperative or joint ventured mail. Even flyers and mailbox drops can be considered direct mail as they are communications directed to an intended audience.

Direct marketing also incorporates direct response advertising. Any advertising form directed to an audience requesting a specific and timely response, such as a return number, fax or address to respond to or a coupon or code to mail back or cite. These emphasise the responsiveness of the client to the advertising and distinguish direct response advertising from what would be considered institutionalised advertising whereby the primary focus is brand awareness and presence within the marketer's mind without necessitating an immediate response or replying to the advertising at the time of publication. In this way, direct marketing incorporates direct response advertising.

While each of these elements can be considered direct marketing, within this section of the program we are going to focus on direct mail.

## 10 RULES OF DIRECT MARKETING

Dan Kennedy in his book, *No BS Direct Marketing*, provides the following 10 rules for direct marketing as applied to every form of advertising, including flyers, postcards, sales letters, your website... in fact, he says that everything must adhere to these rules in advertising:

- Rule 1: There will always be an offer or offer(s).
- Rule 2: There will be a reason to respond right now.
- Rule 3: There will be clear instructions on how to respond.
- Rule 4: There will be tracking and measurement.
- Rule 5: Whatever brand building occurs will be a happy by-product, not bought.
- Rule 6: There will be follow-up.
- Rule 7: There will be strong sales copy, not vague hyperbole.
- Rule 8: In general, it will look like “mail order advertising.”
- Rule 9: Results rule.
- Rule 10: You will be a tough-minded disciplinarian and keep your business on a strict direct marketing diet for at least six months.

## **DIRECT MAIL — Direct Mail Benefits**

Every form of advertising has its benefits and direct mail is no different.

- Direct mail allows you to target specifics of your database or client list. For example, you can market to specific demographics, geographic locations or, if your data is detailed enough, specific conditions or interests the client may have.
- It allows you the opportunity to incorporate a direct response element, including a specific call-to-action, reply paid envelopes, contact details or codes that allow you to track the efficiency and effectiveness of your marketing endeavours.
- It allows you to personalise your communication, including providing bulky mail, gifts, samples, creative presentations, as well as providing timeliness (quick turnaround time from sending to delivery, as well as flexibility of the time at which you send it).
- It also allows you the opportunity to be expansive in your communication. In a direct mail communication you can have one page, ten pages or one hundred pages. Extensive communication and copy allows you to tell the complete story and provide as much information as is necessary to support the marketing endeavour of the direct mail campaign.
- Finally, and possibly most importantly, direct mail allows direct response advertising elements to be incorporated, the ability to test and measure the effectiveness of the marketing campaign and the ability to fine tune elements of it to maximise efficiency.

All of the same elements apply to direct mail that apply to each of the other forms of advertising including headlines, compelling copy, defining benefits, outcomes and advantages as well as providing testimonials and guarantees.

In addition to these, it is important that there is a specific call-to-action, a request for an order or for a call to be made or a coupon to be sent in, therefore producing the immediate or direct response.

## **Cost Considerations**

When embarking upon a direct mail campaign it is important to calculate costs prior to undertaking your marketing communications.

For example, you need to take into consideration the following costs to determine your breakeven point:

- Time spent writing copy
- Costs associated with graphic design, art work, typesetting
- Costs associated with purchase of stationery, including paper, ink, envelopes

- Costs associated with printing or photocopying
- Costs associated with postage and delivery
- Costs associated with packaging or inserting materials to envelope or direct mail piece
- Telemarketing costs associated with direct marketing campaign
- List purchase or rental costs
- Strategic joint venture partner profit share costs
- Other costs

“Direct Marketing is a business of numbers. It is a complex and difficult business, but the numbers make it understandable. Since every ad, phone solicitation, and mailing can be measured by the responses generated, certain formulae and principals can be established.

Once you have the numbers, you not only can find out what happened, but more important, *why* it happened.”

– Freeman Gosden, Jr., *Direct Marketing Success*

Freeman Gosden, Jr. in his book, *Direct Marketing Success*, emphasises, “The why is more important than the how,” in regards to direct marketing, because it is the why that offers the explanation as to what has been done and how you can make more effective that which has been done by adapting to your situation and circumstances. Equally, why offers us insights into new ideas for improvement and enhancing the effectiveness, productivity and profitability of our direct marketing endeavours.

It is important to understand that direct marketing, including direct mail, is an advertising medium. That is why each of the marketing methods previously described can be used via direct marketing. Direct mail differs from these elements, including mail order, insofar as mail order, newspaper, etc. are all methods of marketing.

It is important to note that direct marketing, direct mail, direct response advertising and even mail order are neither mutually compatible nor mutually exclusive. The implication here is you can use a direct marketing medium with any marketing methodology. However, it is not a requirement that you use each marketing method via a direct marketing medium.

## THE TWO PRIMARY ROLES OF DIRECT MARKETING

There are two primary roles of Direct Marketing:

1. Creating an order... where the marketing piece itself directly relates to a communication that provides the request for an order or specific action, such as making an appointment, to be made. The letter encompasses all the information required for the action to be taken.
2. Lead generation... the purpose of lead generation is to generate a potential client list, as opposed to creating an order on the initial contact. Invariably, by creating a contact list you have follow-up communications and strategies designed to communicate further with that client generating further interest in product or service sales. Invariably, lead generation and the creation of a database or list provides opportunities to communicate further such as delivering special reports, samples or invitations to workshops/seminars.

In either case, the purpose of the direct marketing is to communicate to a specifically targeted audience and gain information from that audience, or an order, creating a measurability of the success of the marketing endeavour.

### Key Elements of Direct Marketing

1. Direct Marketing is measurable... because direct marketing produces a response to a call-to-action embedded within the marketing communication, the responsiveness of the marketing endeavour can be tested and measured for effectiveness.
2. Direct Marketing incorporates an immediate call to action... direct marketing requires of the targeted audience that, if they are interested, they respond to the marketing communication. They do so by using what are termed *action devices*. These include limited time offers, deadlines, limited stock and other premium or time-based restrictions.
3. Direct Marketing offers personalisation... because, you are invariably operating from a list, a database of known persons, you have the opportunity to communicate directly with them, personalising the mail by using their name on the envelope, via a label or in writing.
4. Direct Marketing is specifically directed... direct marketing recognises that for the marketing endeavour to be most effective the marketing communication must be directed specifically towards a target market and that target market must have an interest in and a desire for the product or service being marketed and be offered an offer or incentive that is sufficiently compelling for them to respond.

5. Direct Marketing is a complete strategy... the direct marketing process is a complete strategy insomuch as if it is for lead generation, the strategy encompasses the lead generation communication as well as the special report, workshop or seminar that follows as well as the product and services that follow that. The process incorporates all of these elements, carrying it through to completion.

Equally, if the marketing endeavour is completed in one letter and an order is requested within that first letter, a complete and compelling story is provided in the direct mail format. This is possible because direct mail offers the ability to provide long copy, creating as many pages as is required to tell the complete story. Use pictures, graphics or illustrations to reinforce the story, include a sample or provide any other packaging or resources that assist the client in understanding the nature of the marketing communication and supports the choice towards making an order.

Gosden provides six reasons why direct marketing has become increasingly more popular:

1. Nobody likes to make cold calls.
2. Direct marketing provides an opportunity to tell a complete story.
3. There is an increase in the need to reach more people in the same company and direct marketing provides this.
4. People don't have time to see salespeople.
5. There is a need to reach very small audiences, specific niches and direct marketing provides for this.
6. There is often the need to communicate a complex story.

Because the flexibility of direct marketing to address each of these elements, direct marketing is becoming increasingly popular as a medium to deliver marketing methodologies.

## **Budgets**

One of the key considerations of any direct mail or direct marketing campaign is your financial budgets.

It is important that you have a written financial plan in respect to:

- Stationery costs
- Postage costs
- Staffing costs
- Other marketing costs in associated with the direct marketing activity

It is also important to have a budget for your time. Know how long the project is going to take and ensure that you have planned appropriately for the timing of the delivery of that program. The last thing you want is to feel pressured and rushed at the last moment. This allows errors to creep into your campaign and escalates costs unnecessarily.

In your budget of both time and money ensure that you have included a contingency. Contingency budgeting your finances allows for the campaign to be more profitable as you have planned accurately and the contingency is not necessary. Contingency of time also allows you not to feel overwhelmed and to maximise the time that you do have.

## **Order of Priority**

With any direct advertising campaign, including direct marketing, there is an order or priority of clients you should market to:

1. Your existing active database of clients
2. Your existing inactive or lapsed database of clients
3. Marketing for new clients

While this general marketing principal applies to all marketing endeavours, it specifically relates to direct marketing in that it avoids a significant cost of uncertainty marketing to an unknown audience. Because there are high costs associated with direct marketing, including stationery and postage as well as the time invested to establish a campaign that may or may not be responsive to an unknown audience, it is far better to ensure that you have targeted your existing market and maximised your endeavours and relationships with them.

Your clients already know your product/your service. They already have an affinity with the care you deliver and have confidence in you personally and professionally. Why not expand on this prior to marketing in uncertain territory?

## **Coding**

Coding refers to placing a tracking device on your direct marketing material. The purpose of coding is the process of test and measuring.

By coding different runs within the single marketing campaign, you can measure the effectiveness of the different elements that you're coding for. Equally, coding allows you to record the number of responses to specific marketing campaigns determining conversion rate.

## **Order Forms**

All direct marketing materials should incorporate order forms.

Order forms are the call-to-action inherent within the marketing material. They define specifically what the receiver needs to do, the action required and a summary of the offer, the premiums and the contact details to follow through on.

Not only do order forms increase conversion rate, they simplify the end process facilitating the purchasing decision.

Furthermore, they allow you to receive this information, either by mail, fax or email, and therefore, track effectively the completion stage of the purchasing decision. Tabulating this information maintains organisation and enables effective follow through.

Gosden provides the following seven ways your order form can increase your average order:

1. Last minute news/hot item flash
2. President's or merchandiser's favourites
3. Liners... a list of items available — generates impulse sales
4. Volume discounts
5. Gift packaging
6. Sale — Sale — Sale
7. Simple and smooth-flowing order form

## Direct Marketing Distinctions

The most important aspects of direct marketing include the fact that you can target your market with a specific message relevant to their interests and needs. You can measure the effectiveness of your marketing communication through feedback response and therefore modify and adapt the marketing to that information to increase and enhance effectiveness. Having a database or mailing list of clients and information about those clients enables direct and effective marketing.

By utilising this knowledge and applying the technology of maximising direct marketing communications (headline, effective body copy, premiums and a call to action etcetera), you maximise the results of your marketing endeavours. Taking all of this into consideration while utilising direct marketing creates direct marketing, a powerful tool and effective adjunct to your complete marketing campaign.

Bob Stone in his book, *Successful Direct Marketing Methods*, summarises succinctly the difference between direct marketing and general advertising as follows:

| DIRECT MARKETING  | GENERAL ADVERTISING  |
|---|--|
| Selling to individuals. Customers are identifiable by name, address, and purchase behavior. | Mass selling. Buyers identified as broad groups sharing common demographic and psychographic characteristics.                  |
| Products have added value or service. Distribution is an important product benefit.         | Product benefits do not always include convenient distribution channels.   |
| The medium is the marketplace.  | Retail outlet is the marketplace.  |
| Marketer controls product until delivery.   | Marketer may lose control as product enters distribution channel.  |
| Advertising used to motivate an immediate order or enquiry.                                 | Advertising used for cumulative effect over time to build image, awareness, loyalty, benefit recall. Purchase action deferred. |
| Repetition used within ad.  | Repetition used over time.   |
| Consumers feel high-perceived risk — product bought unseen. Resource is distant.            | Consumers feel less risk — have direct contact with the product and direct recourse.   |

I would add to these distinctions the fact that with direct marketing, the effectiveness of the marketing endeavour may be measured by being able to track response rates. General advertising is not easy to test and track and therefore the effectiveness is often questionable.

Stone advises that there are six keys to direct marketing success. These are:

1. Right product or services
2. Right media
3. Right offer

4. Right formats
5. Right tests
6. Right analyses

These six points may act as a checklist, as well as generate questions in order to ensure that your direct marketing activities will be successful.

Ask yourself whether the product you are providing offers real and tangible value to the client.

- Does the target market of the direct marketing activity desire, want or need the product or service that you are promoting?
- Do you have a database or client list to market to that is appropriate, accurate and up to date?
- Do you know which is the best form of media to use to communicate with this database? Newspaper, sales letter, personalised communication, radio, electronic media, magazines, etcetera.
- Do you have the most compelling and effective offer that demands the receiver take action?
- Does your offer include free gifts, premiums or other incentives?
- Is your offer supported by testimonials and guarantees?
- Is your direct marketing campaign delivered in a way that entices the reader, listener or viewer and is appropriate to the message being delivered?
- Are you testing and measuring the effectiveness and efficiency of your marketing to maximise your marketing dollars?
- What parameters are you measuring? Headline, offers, body copy, premiums, format, media type, presentation, etcetera.
- In tracking results what does this information tell you about your marketing campaign?
- In tracking results what amendments, changes and adaptations are required in order to maximise the results of your marketing test?

Consideration of these elements enhances and increases your direct marketing success. Use this checklist, develop and expand it to ensure your success for future campaigns.

## DIRECT MARKETING ADVANTAGES

In his book, *Guerrilla Marketing*, Jay Conrad Levinson describes the following eight advantages that direct marketing has over other advertising media:

1. You can achieve more accurately measured results.
2. You can be as expansive or as concise as you wish.
3. You can zero in on almost any target audience.
4. You can personalise your marketing.
5. You can expect the highest of all response rates.
6. You can use unlimited opportunities for testing.
7. You can enjoy repeat sales to proven customers.
8. You can compete with and even beat the giants.

Levinson also provides the following eight rules of thumb to support direct marketing:

1. Concentrate on the most important element: the right list.
2. Make it easy for the recipient to take action.
3. Keep in mind that letters almost always out-pull mailing packages with no letters.
4. Understand that the best buyers are those who have bought by mail before, a rapidly growing number.
5. Do anything to get your envelope opened.
6. Make sure to keep good records.
7. To improve your response rate use testimonials.
8. Remember that nothing is as simple as it seems.

Of course, as with all marketing techniques, it is important to use a power marketing formula, including elements such as:

- A powerful headline
- Sub-headlines that draw the reader in
- Compelling copy
- Listing benefits and advantages
- Make an irresistible offer
- A call to action
- A P.S.

For more detail on this formula, see the *Marketing Alchemy Copywriting Program*.

Levinson also provides the following reasons to use direct marketing letters:

- Follow up on a salesperson's call.
- Set up an appointment.
- Apologise for something you may have done wrong.
- Compliment someone for something.
- Recognise an anniversary of almost anything.
- Celebrate holidays — Christmas, Chanukah, Thanksgiving, Valentine's Day, Passover, and Easter, for instance.
- Solidify telephone contact.
- Thank someone for seeing your demo or hearing your presentation.
- Thank someone for making a purchase.
- Thank someone for his or her time, even if the person turned down your offer.
- Thank someone for giving you a referral.
- Welcome someone to anything at which he or she is new.
- Applaud someone for a job well done.
- Reiterate how much you have enjoyed working with someone.
- Congratulate someone on a promotion or a new job.
- Mention that you saw the person in the news (enclose the clipping).
- Congratulate someone on a special achievement.
- Thank someone for doing you a favour.
- Thank someone for exceptional service.
- Let a person know that you appreciate his or her product or service.
- Thank someone for their time or effort.
- Express regrets if they are merited.
- Thank someone for inviting you to do something.
- Tell somebody you hope that he or she gets well.
- Express condolences.
- Congratulate someone on a new baby, marriage, or new home.
- Recognise a person's birthday.
- Announce a new product or service.
- Give advance notice of a discount.
- Sell something.

## GETTING YOUR LETTER OPENED

So you want to apply direct marketing to a direct mail piece. You've considered your success formula; the headline, sub-headline and copy, as well as a call to action and a powerful P.S.... but before it can be read, it needs to be opened!

To get your letter opened, it's what you do with the envelope that makes all the difference in the world.

1. The name and address... where possible, hand written names and addresses personalised to the recipient are most opened. Typed personalised envelopes follow that in response rate. Sticky labels are less favoured and generic addressed letters (for example, To The Homeowner) are considered junk mail.
2. The stamp... a real stamp is favoured over an ink or a printed stamp.
3. The envelope itself... for instance, envelopes with windows are ascribed more to bills and large envelopes stand out and draw more attention. Envelopes that have a design or printing on them attract more attention and this can be used very creatively to cause your envelope to stand out and become attractive or appealing to the recipient. Bulk packages, oversize envelopes and unique items sent draw significant attention. For example, sending your letter in a tube is more likely to increase the opening of the mail by the recipient.
4. The teaser... the teaser is copy on the envelope itself that is designed to generate interest for the recipient to compel them into opening the envelope to read the contents.

Teasers include:

- See inside for details on how to increase your health, energy and vitality.
- See inside for how to have better health for only 5¢ per day.
- What everyone who wants better health needs to know.
- Personal health information enclosed.
- Life changing secrets enclosed.
- Money saving offer inside.
- Free gift enclosed.
- A special message from Dr Marcus Chacos enclosed.

Once the envelope is opened, the letter can do the rest.

## **BRINGING IT ALL TOGETHER**

There is considerable overlap with direct marketing and many of the other forms of marketing. Much of what applies to print media is applicable to direct marketing. The principles of copywriting are inclusive with direct marketing. Direct marketing can also be used in radio and internet advertising.

The purpose of this program is to build your awareness of all of the forms of marketing and then to blend them as a natural tool kit for your successful communication of your vision to the market.

## **THE MESSAGE – MARKET – MEDIA TRIANGLE**

The key to successful direct marketing is what Dan Kennedy calls the Message – Market – Media triangle. Dan reminds us that there is an interconnection between the market to which you're advertising, the message which you're communicating and the media through which you are delivering your message.

Right Message – Wrong Market – Right Media  
Right Message – Right Market – Wrong Media  
Right Message – Wrong Market – Wrong Media  
Wrong Message – Right Market – Right Media  
Wrong Message – Wrong Market – Right Media  
Wrong Message – Right Market – Wrong Media  
Wrong Message – Wrong Market – Wrong Media

There is only one way to get it right...

Right Message – Right Market – Right Media!!

Again the emphasis here is that it's important that you get the right market to which you want to communicate your direct marketing advertising.

We already discussed the importance of defining your specialisation or niche market. You need to uncover all of the information you can about them, localising the contact details of people within that market and ensuring that you communicate directly to them in a compelling, powerful and effective way.

Equally, you need to ensure you have the right message for that market.

You need to know what it is they want. What their interests, needs and desires are. It is helpful to understand and know their purchasing habits, what is going to motivate and move them.

Then, you need to write the appropriate copy, create the most desirable offer and provide the most compelling premiums to ensure that the message is received in the most positive way. Just like fishing, you need to use the right bait, the right lure and the right line in the right place to catch the fish that you're after.

Finally, you need to determine what is the appropriate media that your marketing message should be delivered in to be most responsive to the market you are communicating to? Whether it is newspaper advertising, radio, sales letters or skywriting...the media you use makes a significant impact upon the success of your advertising.

The *Marketing Alchemy* Program provides a massive range of media alternatives and marketing options for you to test and measure which will produce the most meaningful and powerful outcomes for your marketing communication.

## **THE BASICS ON DIRECT RESPONSE MAIL**

1. Get it = write your copy
2. Get it packaged = envelope or packaging (example: plastic windows equals bills)
3. Get it labelled/addressed = print address on the envelope or sticky label or hand written
4. Get it to the post office = postage price
5. Get it to the recipient = mailed and received
6. Get it opened equals teaser, label personalised = A/B pile
7. Get it read = headlines, compelling copy, personalised
8. Get it actioned = compelling offer, call-to-action and coupons

## NOTES

## NOTES

## *Transforming **your** health care practice **your way***

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