

Boost your business loan sales

Direct Mail Tips

Max Funding



Why Use Direct Mail?

Direct Mail is one of the most effective promotional tools available and the costs are minimal. Research shows that people prefer mail over email for receiving business communications by a margin of 5 to 1*.

Direct mail has a number of benefits for you:

- It keeps your company in your clients' minds
- Communicate with your niche client base
- You can advertise to clients without your competitors knowing
- It's easier to sell business loans to existing clients than new ones

Choose your most relevant clients

A targeted approach is the most effective. It's more respectful to clients if you only send them relevant material and it saves wasting resources on unlikely prospects. Based on the information you have on your clients, choose the ones that are the most likely to start or expand a business.

Make a relevant and attractive offer

Your offer should be appealing to your target audience.

For example: 'Refurnish your shop today!'

Emphahsise the benefits of a business loan:

- Redecorate or renovate
- Expand your business
- Stock up and enjoy bulk purchasing discounts
- Invest in marketing to attract more customers

You could offer an incentive for action

- 'All loans settled in the promotional period will receive two free movie tickets.'
- The 'Call to Action' at the end should be clear, direct and motivating.
- 'Call XYZ today and I can complete the loan application for you.'

Cleanse your list

- Once you have identified your best targets, run through the following checks.
- Remove clients who have asked to be taken off marketing lists or have unsubscribed.
- Remove clients whose addresses are incomplete.
- Remove any duplicates of the same clients.
- Update any addresses you may be aware are incorrect.

Complete a mail merge

Set up your target list in Excel with the following columns:

First Name	John
Surname	Smith
Address 1	123 Pitt St
Address 2	
Suburb	Sydney
State	NSW
Post code	2000

Set up your letter template in Microsoft Word.
 Complete a mail merge.
 Check the merged data against the original data to make sure it's correct.
 Compile your DM packs and mail.
 Alternatively you could get assistance from a mailhouse.

Follow up phone call

You can increase the effectiveness of a direct mail campaign with a follow up phone call. It can boost responses by as much as 200%#.

- Let your clients know they are receiving individual attention
- Remind them who you are and build loyalty
- Generate leads and increase conversion rates

Remember to call at a time that suits your customers.

Sample phone script:



I wrote to you recently to let you know that we can now help you with financing your business through a business loan.

Did you receive my letter?

Are you thinking about expanding your business?

Would you like to finance this with a business loan?

I could organise this for you when you are ready.



Measure Effectiveness

It's important to assess the value of your Direct Mail campaign so you can see if it was an effective tool for you. You can then assess how your marketing dollars are best spent.

The industry standard response rate for Direct Mail campaigns is 2%. Anything above this means you are doing very well.

The figures you need to collect are:

- number of clients successfully mailed
- number of leads generated
- number of settled deals
- revenue from settled deals

You can then calculate:

- The response rate
- Your return on investment (ROI)

A Sample Calculation

No. of letters mailed	500
No. of leads generated	50
No. of settled business loans	10
Brokerage per loan of \$600	\$6,000
Cost of campaign	\$250
Response rate - for leads	10%
Response rate - for settled loans	2%
Actual ROI	500%

* Source: Reaching Consumers in the Information Age 2003

Source: The Customer Response Management Handbook. www.callcentreintegrity.com

How to contact Max Funding



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