English

ENG 111 – 12G

Persuasive Essay

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Direct Marketing

by

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At first glace there is little to be said in favor of direct marketing. It can be expensive for the advertiser, response rates are low, it uses a lot of natural resources, around half of it is ignored altogether and people regard it as an intrusion of their privacy.

Advertising is a part of our society. As consumers we demand choice and businesses need to tell us about their products and services. Most advertising was once passive. To a certain extent we can ignore advertising on billboards, the radio, television and in newspapers and magazines.

Technology has been put to use in all areas of advertising, but nowhere as much as in the field of direct marketing. The increased power and connectivity of computers has changed how advertisers can reach their target audience, and because they have made it personal the recipient has to respond to it in some way. This response may be simply to pick up the days mail, sort it and disregard the junk, to answer a telephone or to read and dispose of unwanted emails. This is direct marketing, the message is delivered to you directly from a business who would like you to do business with them.

The job I resigned from when leaving Britain to move to the United States was head of the database programming department of Europe’s fourth largest mailing house. On average, we would process around 15 million names and addresses a week, these would, in due course, receive mailings from our clients. As members of the Institute of Direct Marketing we had certain guidelines to which we had to adhere to, as well as certain legal constraints on the things that we could, or could not, do. In this paper I will show why some types of direct marketing are useful and acceptable methods of advertising and paradoxically, show you how you can prevent yourself from receiving it.

One of the concerns of people who receive direct mail is the amount of trees that must have been destroyed to produce the paper that it is printed on. Most of the paper used in this form of advertising is “virgin,” that is, it is not made from recycled paper. There are several reasons for this. Advertisers demand that their image is not diminished in the eyes of the consumer by using cheap looking paper. Recycled paper, although environmentally friendly is not conducive to good print quality in high-speed commercial printers. The printers at the company that employed me, Mail Marketing International, are capable of printing over 300 pages a minute. Paper jams in these machines wastes paper and increases the company costs by slowing production.

There are around 60 billion mailings a year in the US. (Direct 1). People arguing against direct mail like to draw attention to the fact that the average American receives around 40 pounds of paper as direct mail per year. This means that between 60 and 100 million trees are destroyed each year just to produce junk mail. (Elbel 1, CRI 4). This is clearly unsustainable and needs to be put into context. According to the Society of American Foresters, the average American uses about 749 pounds of paper a year. The fact is that almost all paper production in Europe as well as the United States comes from managed forests. Around 1.4 billion trees are now planted each year in the US alone, this is 33% more than is harvested and means that America has around the same land area covered in trees as it did in 1907. (Forest Facts 1).

What isn’t so good is that this paper will, no doubt, be eventually thrown away and end up either being recycled or added to the huge piles of rubbish now used as landfill. Last year, President Bush withdrew America’s support of anti pollution measures signed at the 1997 Global Warming conference in Kyoto, Japan. President Bush has since made very clear America’s stance on anti pollution measures, he is quoted as saying “I will not accept a plan that will harm our economy and hurt American workers.” (Bush 3). He became even more specific in a press release from the White House on Valentine’s Day of this year. “It would have cost our economy up to $400 billion and we would have lost 4.9 million jobs.” (White 4)

Around half of the direct mail sent out is never even opened, and the Institute of Direct Marketing acknowledges that the response to a direct mailing may only result in a response rate of around 1% to 5%. (Godwin 1.3-8). However this is still enough to generate $636.7 billion worth of business for American companies. (Economic 1). Personally, I opened nearly all the direct mail I received. This wasn’t because I was particularly interested in the contents, I did after all see most of the advertising copy before it was even printed, it was to check on the print and addressing quality. I used to tease my boss by saying that we’d be better off printing it, charging the client and then burning everything we produced in the company car park.

At the “Stop the Junk Mail” website at http://www.stopthejunkmail.com there are pages of criticism of direct mail, one of the more interesting observations is that “I believe that this [direct mail] is an intrusion on the purpose of the agency [United States Post Office]. Not to mention that it delays really important mail from the recipients.”

The person who wrote this does not understand the importance of this form of advertising to the well being of the post office or what a good mailing house does.

There are, as I’ve already mentioned, 60 billion pieces of direct mail handled by the post office annually. This generates huge amounts of money for the post office, they do not, after all, deliver it for free. Mailing houses can get up to 20% discount on postal rates, but this is done because they actually do most of the post office’s work for them. Part of my job was to ensure that the mailing list was sorted into geographic areas before it was printed. This was the one of the steps in ensuring the mailing was “Post Office Ready” when it left the premises. Mailing houses have much the same technology as a main sorting office and after printing and enveloping automatic readers would sort the pieces into mail bags that were then labeled, picked up by the postal service and the bags distributed to the various postal delivery offices according to the labels, this process is called mailsorting. If required to a mailing house can even sort the mail into an individual postal delivery workers route, this process is called walksorting. To give an idea of what a large mailing house is worth to the Post Office, consider this: Fifteen million letters a week means that eight semi trailer trucks a day are needed to transport the pieces away. The Royal Mail found it more convenient to build a main sorting office near to our company rather than transport the bags further away. This in turn meant a better postal service for the city in which we were based. Smaller mailings, by which I mean 4,000 or less, were not mailsorted as the discount offered by the Royal Mail for such small mailings made it uneconomic to do so. However, as nearly every piece of mail leaving our company was printed with OCR (Optical Character Recognition) fonts, practically everything we sent was able to be machine sorted by the Royal Mail.

We also did a lot of work ensuring the addresses that we printed were actually correct; this included correcting the post code (equivalent to the US zip code) in the databases. All in all, direct mail, when properly done adds greatly to the post office’s profitability, gives them less work than hand addressed mail and is better addressed than a lot of non-commercial mail it has to cope with.

One of the biggest gripes that people have is how their names and addresses are added to mailing lists. Mailing lists at their simplest can be gotten very easily from a variety of sources; the US census information centers and telephone directories each contain millions of names and addresses. These by themselves aren’t much use to the direct marketeer, as they cover too wide a demographic spectrum. Computer software is available that can match addresses to zip codes very accurately. There is much general information that can be gleaned from zip codes using methods such as the Claritas Cluster System. Residents of San Marino, CA have the zip code 91108, people living there are four times more likely than the average American to use an American Express card, buy new convertibles and spend well above the average on custom made draperies. People who have the zip code 08536, which is Plainsboro, NJ, are probably young, rich and single. (Klein 1 & 6).

Companies compile lists of their customers, and these lists can be very valuable, as they can contain a lot of information on individuals, such as their buying habits, even what newspapers they read. Some companies sell or rent these lists to other companies. Mail Marketing International is a “list broker,” that is, they compile and rent lists of people suited to various companies’ requirements. Need a list of the top 1,000 earners in an area? How about people who read the New York Times and have purchased goods from a company similar to yours? No problem, either MMI or another list broker can easily provide these lists. But there is more than to those lists rather than just printing and sending them out. Here’s what happens to the list when it arrived in my department.

The data is first of all “cleaned”, that is zip codes are corrected, titles and honors are checked and cased properly. Next the database is de-duplicated. Names and addresses come in a variety of formats; de-duplication does exactly what it says. John Doe M.D. of 123 Sample Rd. for example, is probably exactly the same person as Dr. J. Doe of 123, Sample Road. Specialized software looks for and removes these duplicates. Unfortunately things sometimes go wrong, programmers, contrary to public opinion are human too. One poor person on a mailing my department once did got 8 letters all addressed to slight variations on his name and address. The programmer (not me) who let this happen got a verbal warning.

The names and addresses are then checked against a MPS (Mail Preference Service) file. This is a list of people who have specifically requested that they not get any unsolicited direct mail. For both America and Britain this list contains less than 1% of the population. Britain has a population of 59,647,790 (July 2001) (CIA 3) yet the British MPS file contains only 540,000 names and addresses. People complain that they don’t like junk mail yet very few actually set about stopping it. It is a legal requirement that people on the MPS do not get mailed. A misunderstanding between MMI and a client once meant that this file was not matched properly. As a result someone on the MPS file got a mailing we did, and as the mailing house, MMI was sued.

There is also a “deceased file” this contains the names and addresses of people who have recently died. We once did a mailing for a company that produces baby products. A little after the mailing was sent we got a very disturbing letter from our client saying that a lady whose baby had recently died had contacted them. This led to very thorough checking of our databases, but it turned out that the death was very recent and the information was not available to us. Most people who work in the industry are very professional and ethical, not a single one of us would like to think that we could make such a mistake.

If you really would like to stop most of the direct mail that you receive, miss out on all those wonderful offers, cause a downturn in America’s balance of trade and deprive people of work, it really is very simple. Members of the IDM (Institute of Direct Marketing) and DMA (Direct Marketing Association) are bound to use the MPS (Mail Preference Service) file. To get your name on that list simply send a dated, signed letter explaining that you want your name and address put on the MPS file to:-

Mail Preference Service

C/o Direct Marketing Association

PO Box 9008

Farmingdale, NY 11735-9008

Some companies are not members of either organization and you’ll have to contact these separately as and when they mail you. Also, most mailings contain a telephone number or check box that you should use to stop them distributing your name and address to other companies.

Finally, there is a TPS (Telephone Preference Service) file that will stop a lot of telemarketing calls to your residence. The address for this is:-

Telephone Preference Service

C/o Direct Mail Marketing Association

PO Box 9014

Farmingdale, NY 11735-9014

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