

1,000,000^s OF \$\$\$

Profits earned in successful Direct Mail campaigns.



Success Stories.

As informative as this guide may be, it's always useful, not to mention interesting, to also learn how other companies have used Direct Mail.

And now that you have a basic understanding of the process, you can see just how effective Direct Mail can be. The following Case Studies are broken down by goals, and illustrate how Direct Mail helped these businesses achieve them. Included are:

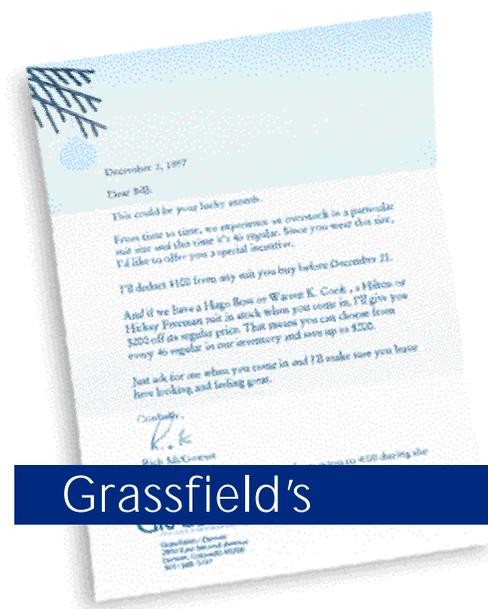
- Acquisition
- Sales/Traffic Generation
- Customer Retention/
Loyalty Building
- Awareness
- Brand Equity

All these businesses made the most of their Direct Mail efforts, with successful results. With a bit of effort and planning, you may be able to make your own objectives become a reality.



Making friends, and making \$1.4 million in annual sales.

Grassfield's haberdashery in Denver has established a fiercely loyal customer base without spending a dime on newspaper, TV or radio advertising.



Grassfield's

Objective

Increase sales, decrease advertising costs and maintain customer loyalty.

Strategy

Personalized and hand-signed mailings to select customers and prospects in order to establish personal relationships, drawn from a highly-developed database.

Tactics

Powering the Direct Mail program is a detailed computer file maintained on all Grassfield's shoppers. Attentive salespeople keep the database updated with customers' names, individual product preferences and sizes. When asked, most customers freely share additional information such as their home addresses, birthdays, anniversaries and spouses' names.

Results

When salespeople sent special invitations to 1,164 customers who fit one of eight overstock sizes of fall-weight suits, Grassfield's generated \$43,307 from a promotion which cost just \$550.*

Another successful component is the birthday reminder, sent to the spouse of each customer. The reminders contain a \$25 gift certificate redeemable with purchases of \$100 or more. These generate \$55,000 in sales annually.

Store sales have increased 18% and profits have skyrocketed 83% since the Direct Mail program began.



Grassfield's takes the standard loyalty mailing and "turns it up a notch."

- each letter hand-signed by a sales associate — or sometimes even by owner Max Grassfield

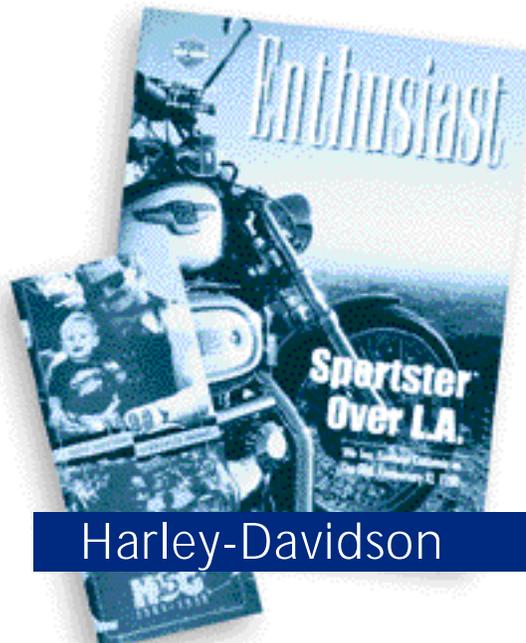


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Customer
communi-
cations fuel
loyalty and
sales.

Harley-Davidson
Motor Company's
loyalty program
keeps bikers and
sales revved up.



Harley-Davidson

Objective

Build loyalty among Harley-Davidson motorcycle purchasers and drive sales.

Strategy

Ongoing communications encourage Harley owners to use their bikes often, and keep the legendary brand top-of-mind.

Tactics

All new Harley® owners are provided an automatic one-year membership in the Harley Owners Group® (H.O.G.®). Throughout the year, members receive magazines, newsletters, handbooks, manuals and other communications from Harley-Davidson headquarters. Dealers reinforce the relationship by sponsoring local H.O.G. chapters. Mailings tout club benefits like mileage-reward programs and touring contests. Local and national rallies where riders compete, attend workshops, try out new Harleys, and share product ideas with bike-riding management build a sense of community among riders.

Results

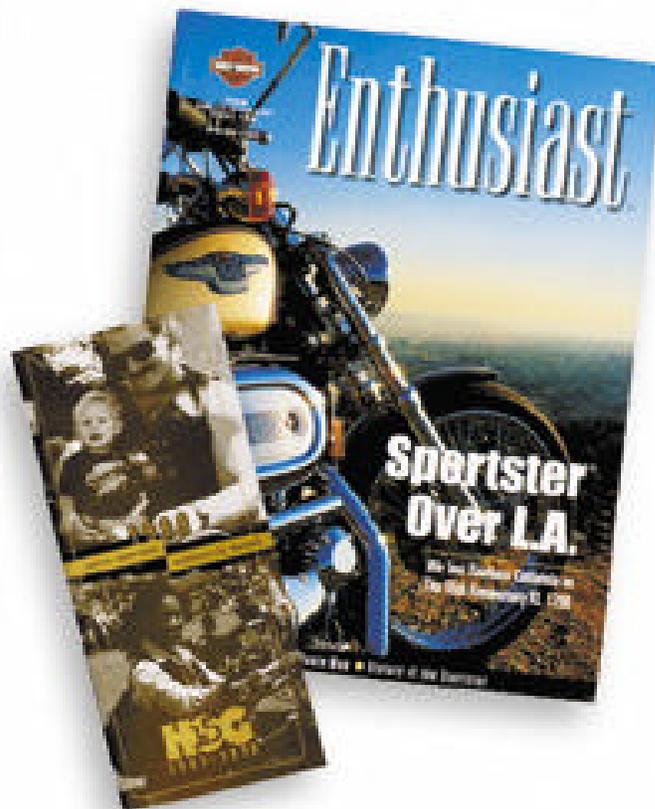
H.O.G., launched in 1983 with 33,000 participants, is now one of the largest factory-sponsored motorcycle clubs in the world, boasting over 400,000 members. An impressive 75% of H.O.G. members respond to an annual Direct Mail solicitation and pay a \$40 fee to continue their membership.*

In addition, 1997 was Harley-Davidson's 12th consecutive year of record earnings and revenues from continuous operations. Harleys are selling so quickly that loyal customers willingly wait three months to one year when buying new, select models.



Tailored, lifestyle-oriented packages touting the benefits and mystique of Harley-Davidson:

- humorous “reminder” postcards
- club member magazines
- easy-to-use renewal kits
- ties customer to the brand



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Targeted
catalog
mailings
result
in response
as high as
40%.

While summers
meant booming
business on
Martha's Vineyard
for the Black Dog's
tavern, bakeries
and specialty shops,
the owners were
looking for a way to
operate profitably
even in the
off-season.



Black Dog Tavern

Objective

Generate sales to allow a regional business to remain profitable and open year-round.

Strategy

Extend relationship with seasonal customers through a catalog that is provided only upon request.

Tactics

Each year, 500,000 Black Dog catalogs are mailed in the fall, winter and spring. The mailing list consists exclusively of people who have signed up, requesting to receive the catalog.

Results

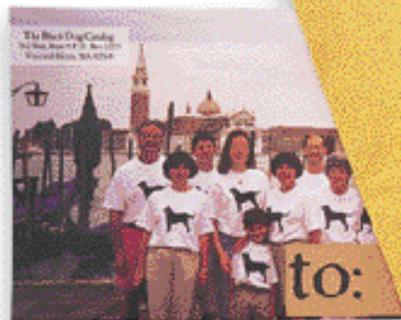
Overall, a 12% response rate. Average order size is \$60. A special Valentine's Day catalog insert, targeted to 20,000 customers who had recently ordered from the catalog, drew a 40% response!*

In addition to increased sales, the catalog business has allowed the Black Dog to keep valued employees who otherwise would have left with the summer tourist crowd.



To create a friendly, homey look and feel for the piece, Black Dog utilized three techniques:

- photographs of actual store employees
- expensive, recycled paper
- an oversized, “noncorporate,” visually accessible format



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Six-week
promotion
generates
\$5.8 million
in deposits.

Roosevelt Savings
Bank looked to
Direct Mail to build
a new customer base
with profitable
customer
relationships.



Objective

Penetration and recognition in a new market.

Strategy

Get new prospects into the bank and develop profitable, new customer relationships.

Tactics

Direct Mail was used with highly relevant lifestyle messages targeted to prospects matching the profile of the bank's most profitable customers. The mail went to neighborhoods within a five-minute drive of a new branch and included a personalized coupon for a free teddy bear.

Results

At the end of the six-week promotion, 377 new account relationships had been established.* Initial campaign results surpassed expectations, generating \$5.8 million in new deposits. Within two months, the relationships established with these new accounts had subsequently grown to over \$8.6 million in deposits.

Following the promotion, Roosevelt has continued to use Direct Mail communications to build on existing relationships and ensure long-term customer loyalty.



Roosevelt Savings Bank used whimsical images and wordplay to create excitement around a special six-week promotion. In addition, targeting was used throughout the piece, including redeemable coupons attached to the letter.

- personalization
- redeemable coupons



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Dealer
incentives
build credit
sales.

With limited
resources,
John Deere Credit
(JDC) used Direct
Mail to promote
rewards to its
construction
equipment dealers
for achieving new
levels of
JDC-financed sales.



John Deere Credit

Objective

Increase purchaser financing contracts on John Deere's line of heavy construction equipment by 10%.

Strategy

Deliver time-honored merchandise and travel incentive promotions quickly and inexpensively to targeted John Deere construction equipment dealers. Play to dealers' lifestyles with golf-and-travel-oriented awards under the golf banner "JDC Invitational."

Tactics

Gain every dealer's attention with a "flight" of nine monthly mailings. Use dealers' records to give each dealer a feasible — but not too easy to reach — credit sales target 10% above historical performance. Achieving the target earns dealers a "par" for their effort. For those reaching their monthly markers, John Deere awards golf-oriented gear — balls, hats, shirts, clubs and bags — bearing the JDC logo, as a constant reminder of the participant's commitment, not to mention their winning ways. Dealers with the best overall score win a trip to the Masters or a cruise.

Results

JDC reached new heights by increasing financed sales 113% over the previous years*. The company's market share has improved dramatically since constructing the winning program.

JDC is so satisfied with the success of the invitational that they use Direct Mail for similar annual events. New themes work to maintain dealer excitement and participation.



John Deere uses simple graphics and color to tie in with the golfing theme:

- simple, inexpensive design
- easy-to-understand offer
- involves reader through graphics



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Innovative
packaging
achieves a
15%
response
rate.



The Duplication Factory

The Duplication Factory, a company specializing in media duplication, packaging and fulfillment, needed to reach senior advertising and marketing executives to promote its Live Action Direct marketing program.

Objective

Reach these top executives in order to expand business relationships.

Strategy

Create a package that will break through the daily clutter to get immediate attention.

Tactics

The Duplication Factory packaged their presentation in what looked like a live-animal carrier — a box with a carrying handle and “air holes.” Probably the last thing a busy executive would expect to receive at the office!

Delivery of the package via Priority Mail™ assured that it would be received along with the regular day's mail, but not overlooked.

Reactions from recipients ranged from appreciative laughter to concerned phone calls inquiring whether “the thing” needed to be fed.

Results

The packaged materials got noticed, opened and read. A response rate of between 10%-15% has consistently been maintained each time the package is mailed to generate leads.* Over the past five years, TheDuplicationFactory has continued to add to its database of over 25,000 names, and the company has acquired major clients like Walt Disney World, AT&T, General Motors and others.



“What’s inside?” That’s the first question most everyone asked when The Duplication Factory’s piece arrived by Priority Mail.™ The intention was to break through, and this piece certainly did, with creative, intelligent use of die cuts and reveals.

- innovative packaging
- CD-ROM
- videotape
- brochure



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Well-built
database
brings first-
year sales
of \$1 million.

Grand American
Tours & Cruises, a
small travel agency,
recognized the
potential for Direct
Mail to establish their
new business in a
highly competitive
environment.



Grand American Tours & Cruises

Objective

Grand American Tours & Cruises needed to build awareness and increase its customer base.

Strategy

Build awareness of a new firm on a shoestring budget.

Tactics

A few thousand names were acquired from another travel agency that went out of business. Others were gathered from membership lists of senior citizens clubs and church groups. A simple, two-color flyer was mailed to prospects on the compiled list of names. From there, word of mouth spread quickly.

Results

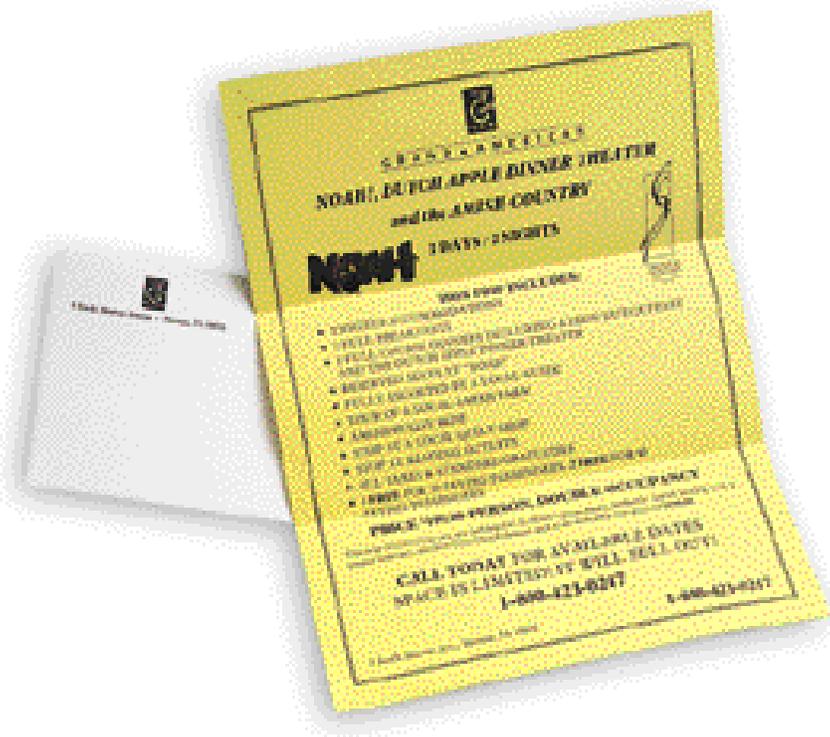
The initial Direct Mail campaign costing \$3,000 generated \$1 million in sales; the annual Direct Mail budget of \$55,000 generates \$6 million in sales.*

Today, Grand American Tours & Cruises sends out 110,000 pieces of Direct Mail annually, regularly pulling an 18% response rate. Direct Mail surveys sent to tour group leaders after the trips helped Grand American Tours & Cruises plan future tours.



Grand American Tours & Cruises
proves that Direct Mail doesn't
have to be expensive to produce:

- simple, straight-forward mailer
- precisely targeted



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