

# Direct Mail That Gets Results!

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## ABSTRACT

This paper describes how NSTAR Electric and National Grid launched innovative energy solutions during the spring/summer of 2007 by promoting new technologies for their residential customers in Massachusetts, utilizing creative direct mail with a strong call to action. It provides tips for successful direct mail campaigns, while explaining how the two utilities undertook separate, yet effective marketing initiatives to achieve outstanding results.

NSTAR Electric enjoyed an 16% response rate from a PowerCost Monitor™ direct mail campaign and the utility exceeded its program goal by more than 1000%. National Grid received a 1% response rate from an innovative direct mail postcard campaign to promote duct sealing, which has less tangible benefits and is in general a “tough sell” as a home improvement measure. As the marketing vendor for both initiatives, Conservation Services Group (CSG) has insights to share related to planning, design, timing, and communication.

## Introduction

From May to August 2007, a partnership between NSTAR Electric and PowerCost Monitor manufacturer Blue Line Innovations, and CSG, embarked on a targeted pilot opportunity to explore interest in a real-time direct feedback display device that allows consumers to see how much electricity their home is using in dollars, and in kilowatt-hours. Under this agreement NSTAR customers were offered—on a first-come, first-served basis—a substantially reduced price on their purchase of a PowerCost Monitor. CSG was brought in by NSTAR Electric to develop a direct mail campaign related to this offer. (See Figure 1.)



Figure 1

At the same time, CSG was approached by National Grid and asked to develop a direct mail campaign to promote duct sealing as an important energy saving measure for homes with residential central air conditioning systems (see Figure 2). The mailing was carefully planned and recipients were specifically targeted, as described below. Customers' interest was piqued by the use of an "offbeat" visual pun and compelling call to action. As a side note, National Grid also offered Blue Line Innovations' PowerCost Monitor to their customers (with a goal of 100 residential customers) at no charge, as a pilot effort that CSG was involved with implementing due to its integration with the MassSAVE program (administered by CSG). Using the MassSAVE program's home energy assessments as a delivery vehicle, the utility reached its goal.

In the two direct mail campaign initiatives for utility clients, CSG worked closely with the utility representatives to craft strategies, messaging, and designs that were ultimately successful in garnering above-average response rates.



Figure 2

## Results

PowerCost Monitor: Utility goal was 300 units. Total delivered units: 3100.

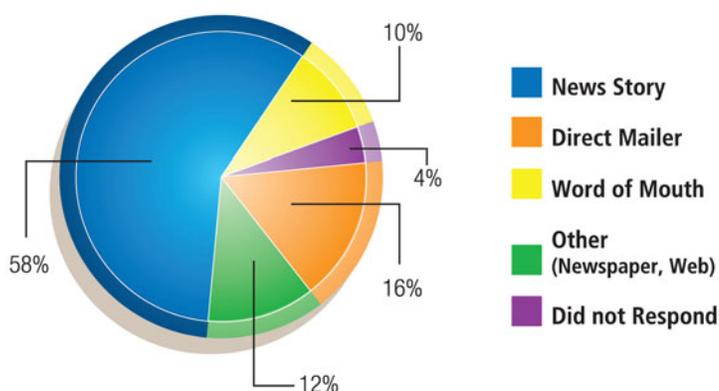
Duct sealing measures: Total responses: 170. (123 jobs were contracted; 27 were deemed ineligible and 20 failed to sign a contract)

NSTAR Electric exceeded its program goal by more than 1000%, with more than 3,100 units being sold during the campaign's duration. However, this achievement rate was not due to the mailing alone. In

parallel with the direct mail effort, mass-based media (while not planned) really embraced this new technology. According to a May 2007 press clipping, “NSTAR Electric customers have a new tool to help them save energy and take control of their electric bills. Through a first-in-the-nation rollout, NSTAR is enhancing its successful energy efficiency programs by offering a reduced price on the PowerCost Monitor™, which connects easily to most residential electric meters and transmits electricity usage information to a handheld device inside the home. Consumers can then see exactly how much electricity they are using in their home and what the hourly cost is at that time.”<sup>1</sup>

About half of the PowerCost Monitors were sold as a result of news broadcasts. (See Figure 3.<sup>2</sup>) The direct mailer was the second most popular form of promotion which stimulated 16% of sales. This is dramatically higher than the average success rate for direct mailers (traditionally about 1-2% response rate).

## Media Analysis



The National Grid direct mail postcard campaign used a visual pun to promote duct sealing as an important energy saving measure. The image of a fuzzy yellow duckling with gray duct tape “bandages” and prominent headline stating “There’s a better way to treat your ducks” garnered homeowners’ attention at a glance. The back of the postcard indicated the benefits of sealing one’s ducts with “save up to 20% off your cooling costs” as the primary benefit. The utility offered free duct sealing with a MassSAVE home energy audit.

## Strategy

The PowerCost Monitor mailing was sent to 10,000 NSTAR Electric residential customers in two 5,000-piece mail drops over a six-week period. The duct sealing mailer was sent to 14,000 National Grid residential customers in nineteen towns within central and northeastern Massachusetts. The mailing list was

Figure 3

targeted by selecting property owners whose homes were built after 1975, with 1,250+ square feet and central air conditioning.

Direct mail allows you to target a specific market better than any other advertising medium. You can decide who gets your message, when they get it, and where they get it.

<sup>1</sup> Source: NSTAR Electric press release, May 10, 2007

<sup>2</sup> Source: BlueLine Innovations

## Roadmap for Direct Mail

Ten helpful hints for considering direct mail in your marketing mix include:

**1. Start with the big idea.** A good offer and a solid promise of value will both motivate people to respond. A pretty mail piece alone will not. So, before you spend time on the wording or design of your direct mail piece, focus on the big idea. What's the major point behind your direct mail? What's the offer, incentive or idea that's going to make people say, "I definitely want to learn more about that!"

**2. Invest in your mailing list.** Match your big idea to the right group of people. As you're forming your main idea, you should already have a profile in mind of your ideal customer. You'll then need a direct mail list that matches your ideal audience profile as closely as possible. An in-house list of qualified prospects is often the best way to go. If you don't have one, use a professional data company or a highly regarded list broker.

**3. Clarify your message.** Many marketing pitches are difficult to understand. This happens when a writer makes assumptions about the audience. Don't ever assume that people will understand your product or service as well as you. Your message has to be crystal clear on just one read-through.

**4. Limit the mailer's scope.** It's wise to limit the scope of your message to one major product, service, or idea. By doing so, you can develop your direct mail piece in a way that is more likely to generate a response. You can explain the primary benefits, offer a testimonial if desired, include photos, and make a strong offer. A multi-topic sales pitch is better suited to collateral pieces and/or the Internet.

**5. Use a strong but realistic call to action.** The call to action is the culmination of the direct mailer's message. It's what the entire postcard leads up to. It tells the reader what he or she should do next in order to learn more or take action. With everything a call to action must accomplish, it's critical that it be clear, simple and realistic. Provide people with an easy way to respond; people will not jump through hoops to reach the next step. Give your customer a toll-free number to call, or a simple web URL.

**6. Polish the mailer headline.** Direct mail pieces have only a brief moment to capture the reader's attention. In the moment when your postcard comes out of the mailbox it either engages or loses your customer. A strong direct mail headline goes a long way toward helping you survive this brief glimpse. Rewrite your headline until it is (1) easy to read at first glance, (2) interesting in some way, and (3) suggestive of the value to come. Try it out on a sampling of appropriate readers in draft form.

**7. Choose the right image.** With limited physical space on your mailer, you should plan for just one dominant image on the non-address side. Don't choose an image just because you think it's attractive. The image should support the headline, and vice versa. Together, they must identify and engage the audience. So it's essential to choose an image that is eye-catching, relevant to your headline and message, and relevant to the reader.

**8. Balance the desired response with the right incentive.** The more you ask of people, the more you must be willing to give them in return. If you ask for too much but offer too little, the imbalance will result in failure. If you have a relevant offer and your next step is relatively simple, you can get by with a smaller incentive. What are you asking people to do? Be realistic and strike a balance that is likely to work.

**9. Sell the next step.** Support the overall process. Is your direct mail going to be the only vehicle in a sales process? Or (more commonly) is it a link in the chain between introduction and conversion? It's hard to sell a product with only a direct mailer, except perhaps an inexpensive product. The direct mail piece should offer a next step in addition to "call me." Define your sales process before mailing your direct mailer, for greater success with your mailing.

**10. Track and measure your direct mailer's success.** Throughout the entire process, be sure to have a way to capture results.

## **Challenges**

### **Information Overload**

The average consumer gets bombarded with more than 3,000 advertisements in a given day. Magazine ads, banner ads, popup ads, spam, billboards, TV and radio spots. We encounter more information in a single day than our grandparents encountered in a year. Noise, clutter, and information overload results in your audience being highly selective and "info-savvy."

### **Info-Savvy Consumers**

We live and work in an information economy. Words and content have become powerful tools, driving us forward and making our lives richer. At the same time consumers demand more of what they read. They are likely to be suspicious of any offer until it is proven to be valid and real.