

INSIGHTS

## Marketing to Mailboxes

*Operator touts direct mail for targeting new customers*

Gene Krahenbuhl finds it tough to imagine getting more “bang” out of the \$216 he shells out to advertise his business each month. Despite its tidy sum, that \$216 pays for a proverbial tractor beam designed to lure new customers to his full-service All Seasons Car Wash and Detailing Center in Kansas City, Mo.

“You lose a lot of business to people dying, but you lose a whole lot more from people moving out of the area,” he says. “This targets all people mov-

ing into the area, who may not know the area yet, and lets them know, ‘Hey, we’re here.’ Once we get them in, it’s our job to keep them coming back.”

The monthly stipend goes to Moving Targets, a Perkasio, Pa.-based firm that uses direct mail (and now e-mail) to connect with people who have recently moved into a new residence. The service uses a gift certificate (pictured, p. 23) or some other incentive as bait to tempt customers to patronize

businesses such as Krahenbuhl’s. In his

case, it’s a free wash.

“I’m on my third year with them,” he says. “Initially I didn’t think I was doing all that well with it, but I’m sending 150 letters out per month and getting a 6% return, which is really pretty good. Usually you’re lucky if you get 1% to 2% return [on other advertising programs].”

Unfortunately, most small-business owners don’t take the time to adequately market their businesses, according to



Marc Slutsky, COO of Street Fighter Marketing Inc., a Gahanna, Ohio-based firm specializing in low-cost marketing plans for small businesses.

“Most small businesses look at marketing as a secondary thing, after making sure all products are ordered and all employees have their timesheets taken care of,” he says. “That’s why I recommend a marketing calendar that keeps them organized. It can be a 90-day plan, and every 45 days it gets adjusted and modified.”

A good marketing calendar forces owners to take action. Maybe it’s printing up 100 flyers and passing them out

in the neighborhood. Maybe it’s spending the afternoon visiting a local strip center and talking to noncompeting businesses about cross-promotions. But if it’s not scheduled, it’s probably going to get overlooked.

E-mail campaigns can be core part of such a marketing calendar. However, merchants must first overcome the hurdle of gathering customers’ e-mail addresses to populate a database, according to Moving Targets CEO Jay Siff. But it’s extremely economical at 4.5 cents per e-mail, as opposed to about \$1.50 per direct mailer. Even so, old-school direct mail remains an extremely powerful and relevant tool.

“Direct mail is still a wonderful vehicle; it’s reading material you can digest as you want to digest it,” Siff says. “With

my 20-year-old son, the first thing he does is stop at the mailbox and check the mail every day—and he’s got every gadget known to man. The public still goes to the mailbox and checks the mail.”

Direct mail is especially appropriate for independent operators, who often can’t compete with larger, corporate-run chains in terms of branding and advertising. And, according to Siff, its results are measurable and trackable.

“It’s one of the least expensive ads you can do,” Krahenbuhl says. “I looked into radio and TV and a local paper going out of here. That cost me a whole lot more than this and I didn’t get nearly the response. So I guess I had done other advertisements, but I guess I forgot about them because they didn’t work so well.”

—Bill Donahue