

LIST NEWS



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Mailing plan outlook: What's in store for the fall?

By **Giselle Abramovich**

THIS SUMMER MANY business mailers who are planning for the fall season have moved large portions of their list rental budgets from direct mail to opt-in e-mail. The cheapness of the channel and the quick turnaround time, in addition to the recent postal increase, are some of the reasons mailers are shunning direct mail pieces and using e-mail to solicit.

However, several list companies report that fall mailing plans remain robust. While testing is flat on fall campaigns, rollouts are as strong as ever.

"I'm looking forward to my clients mailing heavy this fall, with 90 percent of their plans focusing on prospecting," says Jonathan Pogact, director of business development at Mal Dunn Associates Inc., Brewster, NY. "Although postal rates have risen from last year, they're still sticking with their quantities on lists that have proven responsive."

Pogact says summer provides catalogers a chance to cash in on the school season, a time when parents are most likely to order for their children. In addition, parents are also looking to get a head start on the holiday season through pre-winter or holiday sales.

Pogact says lists targeting children ages 6 to 12 are hot for the school season.

"For those consumer mailers who had recently turned away from direct marketing in favor of broadcast this spring and summer, all signs point toward very aggressive back-to-school mailing schedules, specifically mailers in the retail and telecom sectors," says Matt Mader, vice president of database services at Teramedia, Orlando, FL.

Adjustments for postal increases

The postal rate shock for standard flats mailers has caused a great deal of angst and

uncertainty in the catalog community, according to Ralph Drybrough, CEO of MeritDirect, White Plains, NY.

Budgets were reviewed with the effect of higher postage closely evaluated.

Now that the dust is settling, about one-third of MeritDirect's catalog clients have decided to make significant cuts in their original fall campaign budgets.

"Because general business conditions have been so strong this year, most catalogers are getting good results and this gives them confidence that the postage impact will be minimally negative in the big picture," Drybrough says. "If the economy wasn't doing so well the picture would be far grimmer."

Drybrough says there are more retention mailings among those catalogs that are cutting back customer-acquisition communications. Instead, they are filling in with more customer mailings to save list costs.

"They will have to be careful that they don't go into house file segments that are too old at the expense of good prospect list continuations," Drybrough says. "That's a delicate balance."

In anticipation of the Postal Regulatory Commission's request for a temporary 3-cent-per-catalog reduction in the new catalog rates through September, some catalogers shifted mailings previously scheduled for October back to September.

"This is easier said than done, as printers will have a lot to say about available press time and many of the big fall seasonal mailers have well tested mail-drop timing that they must be very wary about changing," Drybrough says.

The US Postal Service's Board of Governors rejected the proposal on June 19.

Catalogers working with list company ALC are using their marketing budgets for



Matt Mader



Jonathan Pogact

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— *Britt Vatne*
Executive vice president of data management, ALC

alternatives such as search-engine marketing and insert programs.

"Many mailers have indicated that they have not made any significant changes in volume due to the postal increase," says Britt Vatne, executive vice president of data management at ALC. "Publishing still is contending with first-time renewal issues and Web content. Many plans seem flat for the fall in the market."

There is more emphasis on reactivating older name segments as well as looking at opportunities to expand segmentation on core files. ALC has many nonprofit clients increasing their fall budgets. However, a continuing challenge for this sector is low response rates.

"Mailers are consistently re-evaluating their contact management in an attempt to mail smarter," Vatne says. "[Single-sender] acquisition mailings are still occurring, but they don't appear to be growing, especially in the nonprofit and catalog markets where co-ops have become a larger portion of the prospect campaigns. Some multi-title catalogs are altering mail dates to allow them to mail more books at one time and qualify for more postal savings. We are also seeing an increasing trend in co-mailings."

Many ALC clients are looking at advertising alternatives online. For example, they are building communities where you interact with your donor, subscriber or buyer. The creation of electronic white papers or newsletters, participation in Second Life and the possibility of buying ad space in Xbox games are some of the options being considered and tested.

There is a great deal of buzz regarding Web 2.0, attitudinal and passion data use, prospecting and optimal targeting of youth.

Vatne says the biggest issue this fall will be the presidential elections and their effect on deliverability and customers focus.

"Given the early start to this political year, it may be difficult to predict trends based on the prior presidential campaign," Vatne says. "All seasonality testing needs to occur this fall, and new testing in 2008 should occur in early 2008 so results are not skewed by the over 40 million additional political pieces in the mail stream." ■