

Back End Mailings

The traditional formula for success in the mail-order business combines both PROSPECTING and BACK-END.

Prospecting is often called the initial solicitation. This is when a company sends a mailing to people who are not currently customers, subscribers, members or donors. The object is to get the recipient to purchase, subscribe, join or donate.

You used to see a lot of newspaper and magazine ads used for prospecting. The collectible companies used them very effectively. Over the years, ad rates have gone up and circulation has gone down, and these media are no longer productive for most mail-order companies.

It's axiomatic that you will lose money when prospecting. Many novices receive catalogs and other mailings and assume that since they get these all the time, these companies must be making fortunes. But when they try to replicate this approach, they quickly learn the reality of mail-order ... prospecting is done at a loss.

Once you have a customer, subscriber, member or donor, then you send regular mailings to them. These mailings are called BACK-END mailings. And this is where you make money.

Some catalogs will mail a new customer 10-25 times during the first year. Many membership organizations will send out

a dozen or more offers of enhanced or additional services, frequently insurance, to their members.

And most non-profits mail quarterly or monthly mailings seeking additional donations to help their cause.

There are sophisticated RFM (recency, frequency, monetary) formulas for determining how often to mail a particular name.

Magazine publishers acquire new subscribers at a loss. They make their money on advertising, and by offering additional services or products to their subscribers. Several magazine publishers have significant on-line stores offering books, music, DVDs, and other merchandise.

The PUBLISHER'S DIGEST mailing list consists of the names and addresses of purchasers of various back-end products sold by magazine publishers by direct mail or inserts placed in billing or renewal notices. The list is compiled monthly and typically has approximately 550,000 buyers each month. This list has been successfully mailed for a variety of products and services including insurance, credit card solicitations and numerous product catalogs.

If you would like complete details about this list, please contact me at 805.963.8888 (david@avrnick.com), Doreen Burk at 805.683.6551 (doreen@avrnick.com) or Larry Shoobs at 323.662.1143 (larry@avrnick.com).