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Problems in Developing a Mail Order Advertising Program

Don Page

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PROBLEMS IN DEVELOPING A
MAIL-ORDER ADVERTISING PROGRAM

by

Don J. Page

An Independent Study
Submitted to the Faculty
of the

Minuteman AFIT School

and to the

Faculty of the

University of North Dakota

in partial fulfillment of the requirements

for the Degree of

Master of Science

Minuteman AFIT, Minot Air Force Base, North Dakota

August, 1966

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TABLE OF CONTENTS

This independent study submitted by Don J. Page in partial fulfillment of the requirements for the Degree of Master of Science in the University of North Dakota is hereby approved by the Committee under whom the work has been done.

Richard Schumann
Chairman

John D. ...

J. R. Larmore

Christopher J. Hauwe
Dean of the Graduate School

TABLE OF CONTENTS

| | Page |
|---|------|
| LIST OF TABLES..... | iv |
| LIST OF ILLUSTRATIONS..... | v |
| ABSTRACT..... | vi |
| I. INTRODUCTION..... | 1 |
| II. ANALYSIS OF POTENTIAL MARKET..... | 3 |
| Size Characteristics | |
| III. CREATING EFFECTIVE MAIL-ORDER ADVERTISING..... | 5 |
| Description of Book to be Sold Classified Advertisements Display Advertisements Direct Mail Sales Letter | |
| IV. CHOOSING THE ADVERTISING MEDIA..... | 27 |
| Classified and Display Ad- vertisements Direct Mail Sales Letter | |
| V. WHEN TO ADVERTISE..... | 38 |
| VI. SUMMARY AND RECOMMENDATIONS..... | 42 |
| BIBLIOGRAPHY..... | 47 |

LIST OF TABLES

| Table | Page |
|---|------|
| 1. Comparison of Advertising Costs-- Classified Advertisement..... | 29 |
| 2. One Month's Estimated Advertising Costs..... | 33 |

ABSTRACT

The main problem in developing a mail-order advertising program are analyzing consumer behavior, composing effective advertising copy, and choosing the appropriate advertising media.

In writing this independent study, four leading mail-order advertising books and appropriate government publications were used as reference material. Also, mail

LIST OF ILLUSTRATIONS

| Fig. | | Page |
|------|---------------------------------------|------|
| 1. | Classified Advertisement..... | 6 |
| 2. | Display Advertisement..... | 12 |
| 3. | Direct Mail Sales Letter..... | 18 |
| 4. | Seasonal Influence in Mail Order..... | 38 |

It was determined by analysis exactly which advertising media to use for the classified and display advertisements and what type mailing lists would be used for the sales letters.

When developing a new mail-order advertising program, only proven procedures should be used. Careful analysis of advertising techniques and advertising media will assure the greatest opportunity for success. The following direct

ABSTRACT

The main problems in developing a mail-order advertising program are analyzing consumer behavior, composing effective advertising copy, and choosing the appropriate advertising media.

In writing this independent study, many leading mail-order advertising books and appropriate government publications were used as reference material. Also, many successful mail-order advertisements and direct mail offerings were examined to determine procedure presently being used in the mail-order field.

Proven successful procedures and advertising tools were used to compose three strong mail-order advertisements: A classified advertisement, a display advertisement, and a direct mail sales letter.

It was determined by analysis exactly which magazines would be used for the classified and display advertisements and what type mailing lists would be used for the sales letter.

When developing a new mail-order advertising program, only proven procedures should be used. Careful analysis of advertising techniques and advertising media will assure the greatest opportunity for success. The following direct

mail advertising methods will be used to promote the product presented in this independent study: The classified and display advertisements will be placed in appropriate magazines; and the direct mail sales letter will be sent to a select market.

As a basis for most advertisements designed to entice newcomers into the field, all beginners should better inform themselves as to the actual difficulties, profit potential, and causes of failures in mail-order businesses. A wealth of information is available in local libraries, professional organizations, government publications, reputable publishers, such as Prentice-Hall and McGraw-Hill, and from the many mail-order publishers that sell instructional books, folios and manuals. A list of the rudiments of mail-order operations that each beginner should know are as follows:

1. Mail order is one of the easiest businesses to enter; little capital or knowledge is needed.
2. Mail order has one of the highest mortality rates of any business endeavor.

¹Robert S. Wildroth, *Profits in Mail Order* (Schenectady, N. Y.: R. Wildroth and Sons, 1962), p. 14.

I. INTRODUCTION

Several years ago, the general public became interested in the financial opportunities in operating a mail-order business. Most people accepted the "get-rich-quick" claims used as a basis for most advertisements designed to entice newcomers into the field. All beginners should better inform themselves as to the actual difficulties, profit potential, and causes of failures in mail-order businesses. A wealth of information is available in local libraries, professional organizations, government publications, reputable publishers, such as Prentice-Hall and McGraw-Hill, and from the many mail-order publishers that sell instructional books, folios and manuals.

A few of the rudiments of mail-order operations that each beginner should know are as follows:¹

1. Mail order is one of the easiest businesses to enter; little capital or knowledge is needed.
2. Mail order has one of the highest mortality rates of any business endeavor.

¹Robert E. Hildreth, Profits in Mail Order (Schenectady, N. Y.: R. Hildreth and Sons, 1962), p. 14.

3. The two-to-one markup offered by most drop-shippers is insufficient to conduct a profitable mail-order business.
4. The article or service being sold must not be generally available to potential customers through local stores. If the product is available through local stores, the mail-order price must be considerably lower than any local price.
5. Mail-order beginners are being taken advantage of by the "professionals" luring beginners into the various catalog and drop-ship plans of operation.
6. The greatest chance for success goes to those who have complete control over the article to be sold.

The purpose of this study is to create a strong advertising program promoting a book entitled The Truth About Mail-Order Failures. Such a book is designed to make clear points five and six mentioned above and to give a realistic appraisal of an entrepreneur's profit potential in mail order.

II. ANALYSIS OF POTENTIAL MARKET

Size

The size of the potential market is literally in the tens of thousands as is evidenced by the mailing lists available from Bookbuyers Lists, Inc., of New York. List No. 328 has over 137,000 names of people who have requested mail-order information in the past. This list has been developed from only one company's advertising program to sell one mail-order book. There are many other companies that have available appropriate mailing lists which they are only too happy to rent, as this is a valuable source of additional income. Also, each year there are thousands of people becoming interested in mail order for the first time. It is evident, therefore, that the number of potential customers is quite large and will be increasing by the thousands each year.

Characteristics

What type of person would be interested in mail-order opportunities, and what are their desires? These questions must be answered before writing begins on the actual advertisements, for the advertisements will have pulling power only if they are tailored

to appeal to the potential buyers. A prospective mail-order operator desires additional income. He will want to reap the dollar benefits of his efforts rather than be a salaried employee. Along with this feeling of entrepreneurship, he will want the satisfaction of being successful through his own efforts. Briefly, his reasons for entering the mail-order field are money, independence, and security through success.

These desires are quite common, but the beginner does not realize the difficulties to be encountered in the field of mail order. Remember, mail order has one of the highest mortality rates of any business endeavor. This study will result in an advertising program that will make each prospective customer realize that mail order is a difficult business, but tremendous profit potential does exist and those profits can be his if he takes a realistic approach when beginning his business. Care must be taken not to completely discourage a prospective customer by writing overly pessimistic advertisements.

III. CREATING EFFECTIVE MAIL-ORDER ADVERTISING

Description of Book to be Sold

Title: The Truth About Mail-Order Failures

Chapter Headings:

Section I

Why 95% of Mail-Order Businesses Fail

The Truth About "Junk Mail"

The Truth About Capital Needed to
Start a Mail-Order Business

The Truth About Mail-Order "Package
Plans"

The Truth About Drop-shipment Plans

Section II

Why 5% of Mail-Order Businesses Succeed

The Best Product for Mail-Order Beginners

How to Use an Advertising Agency

How to Learn from Other Mail-Order
Businesses

How to Keep Mail-Order Records

How to Avoid the Seven Basic Mail-Order
Mistakes

Specifications: 7½" x 10"; 148 pages,
11 chapters, firmly
bound for lasting use;
English-finish paper

Classified Advertisements

The classified advertisement will probably be the least expensive of the three types of promotional presentations, but the profit potential of classified advertisements is tremendous if the product being sold is normally sought by readers of classified sections. Unusual innovations will not be attempted when writing this advertisement. Pioneering is admirable but often unprofitable, and Prestige Publication's goal is to develop a profitable mail-order advertising program. The classified advertisement to be tested is shown below:

"MAIL ORDER! (Overcome 95% Failure Rate!) New, Factual, No-Holds-Barred book reveals Startling Truth about Mail-Order Failures. Contains Specific Instructions for Your Success. Details Free. Publications, Box 1000-A, Minot, N. Dak. 58701."

Fig. 1.--Classified Advertisement

Before writing a classified advertisement, a certain amount of research is needed. All similar advertisements by successful competitors should be studied to determine the technique used and to discover

the proper publication in which to plan the advertisement.

Since classified advertising is paid for by the word, one must be very concise in writing such an advertisement. All words used must be needed for developing definite clarity of the proposition being offered.

There is seemingly excess punctuation and capitalization used in this advertisement. This policy is used to make the advertisement stand out from those surrounding it. If the reader's attention is not directed towards this advertisement, there will be no opportunity for a sale.

The first two words of this advertisement serve as the main attention-getter, as they will attract interested persons to the body of the advertisement. It must be remembered that potential customers actively read classified advertisements and nothing can be said in a classified advertisement that will attract readers who are not already looking through the classified section. Those who do read the classified section are almost a captive audience, and showmanship tricks are not needed to attract them to the advertisement. The lead words "MAIL ORDER" will identify this advertisement to all

those who are skimming the particular classified section that contains the advertisement.

Now that the readers' attention has been captured, the advertisement must immediately inform them of the purpose of the product being sold. Hence, the second sentence: "(Overcome 95% Failure Rate!)"

Once the reader understands the purpose of the advertisement, he must then be given as complete a description of the product as is possible in a classified advertisement. The following sentence is the description of the product: "New, Factual, No-Holds-Barred book reveals Startling Truth about Mail-Order Failures." This particular section of a classified advertisement is extremely important, for if the prospective customer is left with only a vague understanding of the product, the money and time invested thus far will be completely wasted, for no order will be forthcoming.

The reader will now be thinking to himself, "This is an interesting offer, but how will this particular book benefit me?" The classified advertisement must answer this question without delay or the sale will be lost. Following is the portion of the advertisement written to satisfy that requirement: "Contains Specific Instructions for Your Success."

The phrase "Details Free" indicates that complete information about the book is available from the listed address. Note: No price was mentioned nor is there any attempt made to complete the sale with the classified advertisement. It is the feeling of many successful mail-order operators that if the selling price of the product is more than \$1.50, greater profits will result from sending a follow-up sales letter to complete the sale, rather than trying to complete the sale from the classified advertisement.² The reason is that a complete sales effort cannot be accomplished in a classified advertisement without exorbitant costs.

The last portion of this classified advertisement is the address. The name of the company is Prestige Publications, but in the advertisement reference to the company is merely "Publications" which is all that is necessary, thus saving one word. Following the post office box number is a letter which is used to identify the particular advertisement from others. Another advertisement would use a different letter. This type of "key" is well suited to classified advertisements, because there is no additional charge in most publications.

²V. D. Angerman, How to Write A Classified Ad That Pulls (Chicago: Science and Mechanics Publishing Company, 1958), p. 21.

Such a procedure is used to "key" all advertisements for purposes of comparison. To determine the most profitable combination of advertisement, publication, and classified sections within the publication, the gross income must be identified as to exactly which advertisement produced it. Also, the results of the classified advertisement must be compared with the results obtained from display advertisements and sales letters used on a specific mailing list. Displayed advertisements and sales letters will be "keyed" with a department designation, such as Dept. M.

Following is a summary list of the sections of the classified advertisement:

1. Attention phrase
2. Purpose of the product
3. Description of the product
4. Product's benefit to reader
5. Where to obtain further information
6. Encoded "key"

Display Advertisement

Display advertisements are paid for by the column inch, which is equivalent to fourteen printed lines per inch. This being the case, greater freedom is experienced when creating such an advertisement. Illustrations and

advertisement layout are valuable tools to be used in developing a strong display advertisement. Such factors as typography, layout, and art work will not be considered in this study, as any one of them would be a suitable topic for a separate Independent Research project. Admittedly, once the advertisements are completed and the proper publications are selected, the areas mentioned will have to be considered before the display advertisement and sales letter are ready for presentation.

The display advertisement which will be tested is shown on the following page.

MAIL ORDER FAILURES!

Do you know why 95% of all Mail-Order Businesses fail? If your answer is NO, you must have your own copy of the Hottest Selling Mail-Order book available today. New 148 page, 7½" x 10" book containing 11 information packed chapters such as:

- Why 95% of Mail-Order Businesses Fail
- The Truth About Drop-Shipment Plans
- The Truth About Mail-Order Package Plans
- The Truth About "Junk Mail"
- Why 5% of Mail-Order Businesses Succeed
- How to Avoid the Seven Basic Mail Order Mistakes

This New, Powerfully Written, No-Holds-Barred book Reveals the Startling TRUTH about Mail-Order Failures and contains Specific Instructions for your success. A Must book for Your Mail-Order library. Your complete Satisfaction is Guaranteed or Money Refunded. Act Now! Send \$2.98. Dealer inquiries welcomed. Prestige Publications, 1048 Lincoln Dr., Dept. L, Minot, N. Dak. 58701.

Fig. 2.--Display Advertisement

The display advertisement contains basically the same information as the classified advertisement, but there are two major differences. The display advertisement is much more elaborate and contains more information about the book. This is necessary because of the second difference: the display advertisement attempts to make the sale without any follow-up sales material.

Selling directly from the display advertisement is possible because a complete description of the book and its benefits can be included in the advertisement along with a small picture of the book. Several chapters of the book with the strongest sales appeal can be shown in the display advertisement.

Since the sale is being made directly from the advertisement, the customer must be given assurance that if he is not satisfied with the product, he may request a refund. The satisfaction guarantee is a must statement in all mail-order advertisements and has proven to substantially increase sales over offerings without a guarantee.³

The phrase "Act Now" is the final stimulant intended to convince the buyer to complete the sale

³Robert Stone, Successful Direct Mail Advertising and Selling (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1965), p. 20.

without delay. Customer hesitation results in the loss of many sales.

Two smaller changes are incorporated into this advertisement. The first is the method used to "key" the advertisement; a separate department number will be used. Such a policy will be adopted because there is less concern over the number of words used in the display advertisement. Also, it will separate the display advertisement from the classified advertisements as a group and enable the results of various display advertisements to be compared.

The phrase "Dealer inquiries welcomed" is included in the display advertisement. With this phrase, an attempt is being made to solicit additional distributors of the book. Other mail-order operators selling associated informational material and instructional books on mail order will be happy to include this offering as a follow-up sale of their own product. Often greater profit is realized on secondary sales than on original sales, because almost no advertising costs are incurred. The secondary offer is included as a "stuffer" in the package which delivers the original advertised sale. Such a policy of allowing others to sell this book will prove profitable to Prestige Publications

because new distributors would make purchases in whole-sale lots of one hundred or more. There would be no advertising costs to Prestige Publications, although circulars similar in content to the sales letter would have to be printed, but those would be sold at cost to new distributors to serve as their "stuffers."

The display advertisement contains a street address rather than the post office box number in the classified advertisement. Why is the change necessary? If the sale is being made directly from the advertisement, it has been proven that a street address instead of an impersonal box number will increase gross revenue.⁴ Using a post office box number is acceptable in the classified advertisement because the sale is not being made from the advertisement. Using the box number in the classified advertisement will result in further cost reduction by eliminating one word from the total word count. This may not seem like much of a reduction, but if the classified advertisement is run in ten publications each month for a year, the savings will be considerable.

Direct Mail Sales Letter

The sales letter will in all probability be more profitable than the two previously mentioned methods of

⁴ Robert E. Hildreth, Profits in Mail Order (Schenectady, N. Y.: R. Hildreth and Sons, 1962), p. 13.

advertising. To determine the validity of this assumption, one merely needs to observe the practices of other successful mail-order operators that are selling similar products. Most successful operators focus their efforts on selling with a direct mail sales letter, since this is the strongest method of mail-order distribution.⁵ Prestige Publications will use the sales letter as its main selling tool, as this method has proven itself to be the most profitable over many years of testing by many successful mail-order operators. After Prestige Publications is firmly established in the field and has developed its own mailing list, experimentation with various advertising tricks can begin on a limited basis.

Two different uses will be made of the sales letter. It will be sent as a follow up to the classified advertisement and as a separate and original mailing directly to names obtained from mailing list brokers. The significance of the two uses of the sales letter is that they must be "keyed" differently so that the sales of each can be segregated.

Direct mail keying is easier than periodical keying, because the customer does not need to write

⁵Letter from Michael Fingerhut of Fingerhut Products Company: St. Cloud, Minnesota, July 21, 1966.

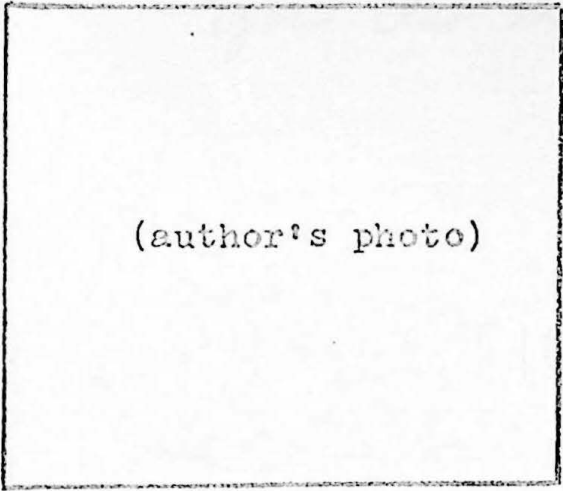
down the key which will be printed or stamped on either the return envelope or coupon that the customer sends back--a different key for each list tested.

In final form, the sales letter will consist of two pages with printing on only one side. Printing one page on both sides was considered but found to be impractical due to the printing requirements that will be discussed hereinafter. The representation of the sales letter as presented in this study is intended to be as close as possible to the actual printed sales letter that would be distributed to potential customers. Therefore, it is on two individual pages. (See Fig. 3.)

Before writing a sales letter, the general theme or approach must be determined. For the sales letter in this study, a personal theme was adopted--it would appear to the customer that he has received a personal letter directly from the author of the book. To further strengthen the strived for feeling of camaraderie, the author's picture will be placed on the first page. This will give the customer the feeling that the author is speaking directly to him.

Now that the general theme has been decided, composition of the sales letter can begin. Of course, since the sales letter will be written in six sections,

ATTENTION: ALL MAIL-ORDER ENTHUSIASTS



(author's photo)

Do you know why 95% of mail-order businesses fail?

Do you know how the "professional" mail-order operators take advantage of beginners?

If you had to answer NO to either question, your mail-order business will probably be among the 95% that fail. But this disastrous outcome does not have to happen. Let me help you as I've already helped thousands of other mail-order men.

Newest mail order book available today

My new book, The Truth About Mail-Order Failures, is the only book available today which reveals the startling truth behind the overwhelming 95% failure rate in mail-order businesses. And, most important, my book contains clear, concise instructions to avoid the pitfalls that trap almost all new mail-order operators.

I'm sure you have read some of the current mail-order ads in leading publications making such proposals as "I made \$20,000 in six months in mail order. Let me help you do the same." Or the ads developed along the theory that "you can start your own mail-order business with only \$15." If you are tempted by this type of advertising, you may find yourself in the position of David Lawson, of Peoria, Illinois, who started his mail-order business in May, 1964. By March, 1965, he had lost almost half of his original investment. Actually, David had done better than most beginners. Most would probably be broke by then.

I will not let you put yourself in David Lawson's predicament. Mail-order is profitable for many and can be profitable for you if you have the facts. I WANT YOU TO SUCCEED. But you must be aware of the true potential in mail order and how the "professional" mail-order men often "milk" the beginner of his investment. MY OBJECTIVE IS TO HELP YOU SUCCEED BY TELLING YOU THE TRUTH ABOUT MAIL-ORDER FAILURES.

Author's Credentials:

Successful mail-order business for the past 6 years

Bachelor's Degree - Business Administration

Master's Degree - Management

more than 2 years research to write this book.

My book, The Truth About Mail-Order Failures, is one of the most powerfully written, factual books available today in the field of mail order. This book was written only after more than two years of intensive

Don J. Page
Don J. Page

P.S.

Remember, 95% of all mail-order operators fail. But success can be YOURS if you let me help you.

PRESTIGE PUBLICATIONS

1048 Lincoln Dr. Dept. M Minot, North Dakota, 58701

... operators... don't...
... If you want to be...
... mail-order...
... I will... your book to you within 24 hours after receipt of your order.

The Truth About Mail-Order Failures has proven to be so successful... I have no hesitation in recommending it to you after you have examined my book... if you can't part with it... these conditions, since you risk nothing, don't it just good business to send your order now?

Sincerely yours,
Don J. Page

When I heard of David Lawson's situation, I wrote him a letter and enclosed a free copy of my book, The Truth About Mail-Order Failures. I suggested that he give my ideas and easy-to-understand instructions the stiffest test possible, that being to turn his failing business into a profitable operation.

Here is what David Lawson says today:

*You, too!
can succeed
in mail
order!*

"Your book has literally pumped new life into my business. If I had your book when I first started my business, I would not have made the foolish and costly mistakes that I did. I recommend that everyone interested in this fascinating field of mail order take advantage of the ideas presented in your book, for I can honestly say that each chapter in your book has meant money in my pocket."

If you want to join the "get-rich-quick" group of mail-order operators (who usually fail), please don't order my book. I want to send my book only to those who are truly interested in developing a realistic approach to mail-order success. If you want to be included in the 5% of all mail-order operators who succeed, send TODAY for the hottest selling mail-order book, The Truth About Mail-Order Failures. REMEMBER, DELAY COULD COST YOU MONEY AND YOUR BUSINESS.

So many people are buying my book that I find myself hard pressed to match production with demand for this fantastic book. So DON'T DELAY. SEND YOUR ORDER NOW! Send \$2.98 today in the enclosed stamped envelope and I will RUSH your book to you within 24 hours after receipt of your order.

*Please give
me your
order
TODAY!*

The Truth About Mail-Order Failures has proven to be so beneficial to those who so wisely purchased it in the past that I have no hesitation in telling you that after you have examined my book, You Are Free To Return It Within 10 Days--if you can part with it--And Your Money Will Be Refunded Immediately. Under these conditions, since you risk nothing, isn't it just good business to send your order Now?

Sincerely yours,

Don J. Page

Don J. Page

P.S. -

Remember, 95% of all mail-order operators fail. But success can be YOURS if

each section will flow smoothly to the next section and the reader will only be aware of the letter as a whole.

The six sections are as follows:⁶

- "1. The opening--which gains the reader's attention by tying in with his thoughts and emotions concerning himself, thus exciting his curiosity and tempting him to read further.
- "2. The explanation or description--which pictures for the reader the main features of your product or service.
- "3. The motive--which creates in the reader the want for what you are selling by describing what your product or service will do for him; how it will contribute to his pleasure, comfort, security, or gain.
- "4. The evidence--which establishes in the reader's mind conviction as to the truth of your statements and the value of your product to him.
- "5. The penalty or inducement--which gets the reader to act at once.
- "6. The close--which tells the reader exactly what to do, how to do it, and makes action easy."

How are the objectives of each of the six sections satisfied? The opening: This section must be the strongest. Each potential customer has basically one goal--profit.

⁶S. M. Brown and L. Doris (eds.), Business Executives Handbook (4th ed.; Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1965), p. 60.

By starting the letter with a question referring to the overwhelming failure rate in mail-order businesses, the reader's attention and interest will be captured immediately because failure is his greatest fear, and avoiding failure is one of his prime concerns.

The explanation or description: Section two very briefly tells the reader of the product. The fact that the product is a book is first brought out in this section. Also, the general contents of the book are stated. This section explains the causes of the high failure rate and gives specific instructions to avoid problem areas.

The motive: This section points out the futility of the various "get-rich-quick" schemes that attract most new operators into the mail-order field. The idea is further enforced by using the story-telling technique concerning a real person and town with specific reference dates. The second paragraph in Section three tells the reader that he need not fail because this book will solve the problems that cause most mail-order failures.

The evidence: This section is quite lengthy, because it must do the actual selling by making the reader realize the importance and true value of the book. To do this, several informational paragraphs are needed. The first two paragraphs of this section are to convince

the reader of the author's mail-order background and literary credentials. The next two paragraphs give a verbal description of the contents of the book and its physical statistics. Those two paragraphs are extremely important because they support the customer's belief that the book is worth the price and can truly benefit him. They also relieve the feeling of doubt on the part of some customers who have ordered other so-called books for a similar price from other mail-order companies and received a twenty-eight page mimeographed, stapled booklet of little value.

The two paragraphs concerning David Lawson are important psychologically, for they remind the customer of Mr. Lawson's previously unprofitable situation and present the opportunity for an operational test of the book. Of course, the test results are unquestionable proof of the value of the book which is reinforced with the testimonial.

The penalty or inducement: As the name implies, this section attempts to prod the customer into acting immediately for fear of the consequences that are pointed out firmly.

The close: This section explains to the customer the simple steps necessary to place an order and uses a

statement of limited production facilities to accomplish an immediate order. The section also includes the mandatory money-back guarantee.

Several advertising "tricks" or plays are used in this sales letter to control the reader's attention and lead him through the body of the letter. Such advertising tools were discovered by analyzing many direct-mail offerings distributed by highly successful mail-order companies. It was found that all the advertising tools used in this letter were used, when appropriate, by the "professionals." It must be pointed out that Prestige Publications is following its adopted policy of using only proven successful methods in developing its advertising program.

The following paragraphs will briefly discuss each of the advertising tricks used:

The author's picture is featured at the top of the first page to give the reader the feeling of carrying on a personal conversation with the author. To strengthen this feeling, the text of the letter contains several questions so that the reader has to participate in the sales effort. Of course, the reader's answers are anticipated, and they further enforce the strength of the letter.

Short paragraphs are used to make the reader's task as easy as possible. It must be remembered that the sales letter is an "uninvited guest," and every effort must be made to ensure that the reader expends a minimum effort.

Punctuation and underlining are strong advertising tools, for they cause certain words and phrases to be remembered. They are also used as a safety factor. Many recipients of the letter will only give it a glance, just reading the bold print and underlined phrases. These phrases must carry the basic idea of the letter and the product. This is another tool used to force the reader to study the letter in its entirety, thereby removing the letter from the category of "junk mail" which the reader merely throws away. The sales letter should be re-examined, noting only the underlined words and phrases. The book is provocatively represented by those few words, so this tool has been used successfully.

Color is used for almost the same purpose as underlining and punctuation, except that here paragraphs are made to stand out and invite the reader's attention. Notice that the color red has been used in the study and is intended for the actual printed sales letter. Color has symbolic meaning--red stresses boldness and

importance; blue used for the border writing stresses calmness, maturity and confidence.⁷

The border writing, done in script rather than print, emphasizes the personal tone of the letter by giving the reader the impression of receiving a personal handwritten note from the author. Once again, the sales letter should be examined, this time noting only the border writing. The points stressed are: authenticity of the book, the book's value in dollars to the reader, success, and an emphasis to act now. Each point is important to the overall success of the sales letter and must be emphasized over and over.

The guarantee is one that is commonly used but in this case written in a personal, friendly style. The phrase "No one likes to buy a 'pig-in-a-poke'" is especially true in the mail-order field, the reason being that there is a basic distrust about sending money for a product that has not been examined. The guarantee overcomes this feeling by telling the customer that he can return the merchandise if he is not satisfied and receive a complete refund of the original purchase price.

The postscript used in this sales letter is a

⁷Robert Stone, Successful Direct Mail Advertising and Selling (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1965), p. 118.

further attempt to personalize the letter. Its main purpose, though, is to act as a final statement of the main appeal, that being the large number of mail-order failures and the statement that the reader can succeed if he purchases the book.

IV. CHOOSING THE ADVERTISING MEDIA

In mail order, interest is often centered on the number of inquiries received for each advertising dollar spent. A further, and vital, refinement of the inquiry per advertising dollar is the gross sales generated per advertising dollar. Therefore, our objective is to realize the highest possible gross sales per advertising dollar expended. Utilizing this ratio will assist in evaluating the effectiveness of each advertisement and each publication in which the advertisements are printed.

How would a high sales-to-advertising expense ratio be developed in a mail-order business? Selectivity is the answer. Since the book being sold is not a general product that would appeal to all men or all women or even to a large specialized group such as sportsmen or farmers, great care must be exercised when choosing the proper publications to test the prepared advertisements. Potential customers must be pinpointed and their reading habits interpreted. To do this, the follow-the-successful-operator's-lead rule will be put to good use again. Appropriate publications can be examined to determine how many and where advertisements

similar to those in this study are being placed. For the classified and display advertisements, even the particular section of the publication can be determined.

This procedure is used for two important reasons. First, the advertisement must be placed before a previously developed audience. Success could not be expected if the advertisements were not placed in publications that had already attracted the attention of those persons interested in mail order. Second, there is no fear of competition, for there is no other book on the market similar to this book, so all other mail-order advertisements will compliment not conflict with those advertisements placed by Prestige Publications.

Classified and Display Advertisements

After careful examination of actual publication, it was found that ten magazines were suitable for both the classified and display advertisements. In fact, several of the listed publications are devoted solely to those persons wanting to increase their income. Table 1 shows a comparison of the advertising costs of the ten chosen publications.

The two columns showing the advertising cost per one thousand circulation are useful for comparing

TABLE 1

COMPARISON OF ADVERTISING COSTS--
CLASSIFIED ADVERTISEMENT

| Publication ⁸ | Frequency of Publi- cation ⁸ | Circulation ⁸ | Classified Rate/Word ⁸ |
|-------------------------------|---|--------------------------|--------------------------------------|
| Mechanix Ill. | Monthly | 1,203,573 | \$ 1.10 |
| Pop. Mech. | Monthly | 1,368,083 | 1.40 |
| Pop. Science | Monthly | 1,321,441 | 1.25 |
| Science & Mechanics | Monthly | 336,276 | .75 |
| Salesmen's Opportunities | Monthly | 235,000 | .60 |
| Specialty Salesmen's Mag. | Monthly | 198,000 | 1.00 |
| Income Oppor- tunities | Bi-monthly | 140,417 | .75 |
| Spare Time | Quarterly | 502,000 | 2.00 |
| Money-Making Opportunities | Monthly | 263,476 | .90 |
| Progressive Mail Trade | Monthly | 10,800 | .10 |
| Mail Sale Advertiser | Monthly | 17,400 | .15 |

⁸Business Publications, Rates and Data (Skokie, Illinois: Standard Rates and Data Service, Inc., 1965), Vol. 46, number 12, section 134.

⁹Thirty-three word count in classified advertisement.

¹⁰Two column inch display advertisement.

¹¹Three column inch display advertisement.

TABLE 1--Continued

| Display Rate/Word ⁸ | Cost of Classified Ad. ⁹ | Cost of Display Ad. | Classified Cost per 1000 Circulation | Display Cost per 1000 Circulation |
|--------------------------------|-------------------------------------|----------------------|--------------------------------------|-----------------------------------|
| \$12.60 | \$33.30 | \$186.40 | \$.0277 | \$.1134 |
| 15.05 | 46.20 | 210.70 | .0338 | .1540 |
| 9.50 | 41.25 | 133.00 | .0312 | .1001 |
| 4.95 | 24.75 | 69.30 | .0736 | .2062 |
| 4.20 | 19.80 | 117.60 ¹⁰ | .0843 | .5000 |
| 3.95 | 33.00 | 110.60 ¹⁰ | .1667 | .5586 |
| 3.75 | 24.75 | 105.00 ¹⁰ | .1764 | .7500 |
| 8.50 | 66.00 | 357.00 ¹¹ | .1315 | .7111 |
| 3.80 | 29.70 | 159.60 ¹¹ | .1130 | .6069 |
| .35 | 3.30 | 14.70 ¹¹ | .3000 | 1.3363 |
| .50 | 4.95 | 21.00 ¹¹ | .2900 | 1.2353 |

the available publications before any advertisements are run. Of course, after the advertisements are run, the gross sales will be used for purposes of comparison. In making comparisons, it must be pointed out that the publications listed in Table 1 can be divided into three basic groups. The first group contains the "mechanics magazines," which are Mechanix Illustrated, Popular Mechanics, Popular Science, and Science and Mechanics. Each of those four publications has a valuable and well-read classified section which has been widely used by other mail-order operators. It first can be noted that Science and Mechanics has the highest classified cost per one thousand circulation and is used least for mail-order advertising. None of the four publications in this group has been widely used for display advertising except in the appropriate "Shoppers' Section." Using these facts as a guideline, Prestige Publications will place only classified advertisements in all publications in this group, except Science and Mechanics which will not be used for any type of advertising.

The second group of publications consists of the "salesmen's magazines," which are Salesmen's Opportunities and Specialty Salesmen's Magazine. By observation, it has been noted that the classified sections are quite

small and inadequate and very costly compared to the "mechanics magazines." Therefore, only display advertisements will be placed in those publications. It has arbitrarily been decided that a two column inch display advertisement will accomplish the task in those two publications.

The third group of publications are those magazines which best pinpoint the potential customers. Those publications are purchased by current or prospective mail-order operators. Since each of those publications is generally read in its entirety by people who would be genuinely interested in the product, Prestige Publications will use both classified and display advertisements in the following magazines: Income Opportunities, Spare Time, Money-Making Opportunities, Progressive Mail Trade, and Mail-Sale Advertiser. It must be pointed out that while the advertising cost per one thousand circulation in both classified and display advertisements is quite high compared to the other publications listed, the audience is very select, therefore the cost is justified. Also, because of the appropriate market, a three column inch display advertisement will be used. (See Table 2 for estimated advertising costs.)

TABLE 2

ONE MONTH'S ESTIMATED ADVERTISING COSTS

| Publication | Classified | Display | Mailing List | Total |
|------------------------------------|-----------------|-----------------|----------------|-------------------|
| Mechanix Illustrated | \$ 33.30 | | | \$ 33.30 |
| Popular Mechanics | 46.20 | | | 46.20 |
| Popular Science | 41.25 | | | 41.25 |
| Salesmen's Opportunities | | \$117.60 | | 117.60 |
| Specialty Sales- men's Magazine | | 110.60 | | 110.60 |
| Income Oppor- tunities | 24.75 | 105.00 | | 129.75 |
| Spare Time | 66.00 | 357.00 | | 423.00 |
| Money-Making Opportunities | 29.70 | 159.60 | | 189.30 |
| Progressive Mail Trade | 3.30 | 14.70 | | 18.00 |
| Mail Sale Advertiser | 4.95 | 21.00 | | 25.95 |
| Bookbuyers' Lists, Inc. | | | \$70.00 | 70.00 |
| TOTAL | \$249.45 | \$885.50 | \$70.00 | \$1,204.95 |

Direct Mail Sales Letter

The sales letter will be sent as a follow up for the classified advertisement and as direct correspondence with prospective buyers whose names will be acquired from appropriate mailing list brokers.

How important is a good mailing list? Without a current and appropriate mailing list, the cost of printing and distributing the sales letter will be completely wasted. Several methods for building a list can be suggested:

"A compiled list--The seller defines the prospect, then systematically makes a list of individuals who fit the pattern.

"Current directories--Published directories are good sources for lists. Examples are city directories, telephone directories, voting lists, tax lists, etc.

"A contest--The seller decides upon a giveaway and advertises the contest. Participants in return supply their names and addresses to the advertiser.

"Rental or Purchase--One of the most reliable sources of lists is from a firm which specializes in this sort of work. A list can either be bought outright or rented from one of these houses at so much per name or so much per thousand names."¹²

Prestige Publications will adopt the policy of

¹²Richard D. Millican, National Mailing List House, U.S. Small Business Administration Circular No. 29 (Washington: U. S. Government Printing Office, 1964), p. 1.

renting mailing lists, because great selectivity is required and this can best be achieved by a specialist. One of the best sources of mailing lists for mail-order information books is Bookbuyers Lists, Inc., of New York. For instance, they have available 137,000 names of recent purchasers of another type of mail-order information book entitled Mail-Order Laws and Regulations which sold for \$2.00. Such a list is available for \$17.50 per one thousand names.

What are the attributes of such a list? The quantity of names is sufficiently large. The product sold was similar to the book offered by Prestige Publications. The price, while substantial, is reasonable. A list of one thousand names can be bought for as little as five dollars, but the selling power of such a list would be slight. Also, this company, as do most mailing-list houses, sends the list on printed gummed labels which are ready for immediate use.

The particular list used as an example is said by the selling company to be "current," which means that the list was recently tested to verify and eliminate outdated names and addresses. One of the cardinal rules of using mailing lists is to use fresh or well-maintained lists. It is estimated that each year changes in address

or name include 22 per cent of householders, 23 per cent of merchants, and 39 per cent of advertising executives.¹³ See Table 2 for one month's estimated advertising costs.

The classified advertisements will definitely be used first since their cost is low and their anticipated pulling power high. The "salesmen's magazines" will not be used at the onset of the advertising campaign since they are the weakest publications of all those considered. If the product and the advertising proves successful, these publications will be added to those already being used. The four remaining publications will be used since they perfectly pinpoint publications of the potential market. To begin with, only display advertisements will be run in those publications since their classified sections are not as strong as those in the "mechanics magazines." Of course, mailing lists will be used immediately in the amount indicated in Table 2. As the appeal of the product and the power of the advertising proves itself, the advertising program will be expanded to match the expenditures indicated in Table 2.

The abilities of an advertising agency with an

¹³Julian L. Simon, How to Start and Operate a Mail-Order Business (New York: McGraw-Hill Book Company, 1965), p. 132.

experienced mail-order department could be used to assist in choosing the proper publications in which to advertise. Also, they could perform any art work needed for the display advertisement.

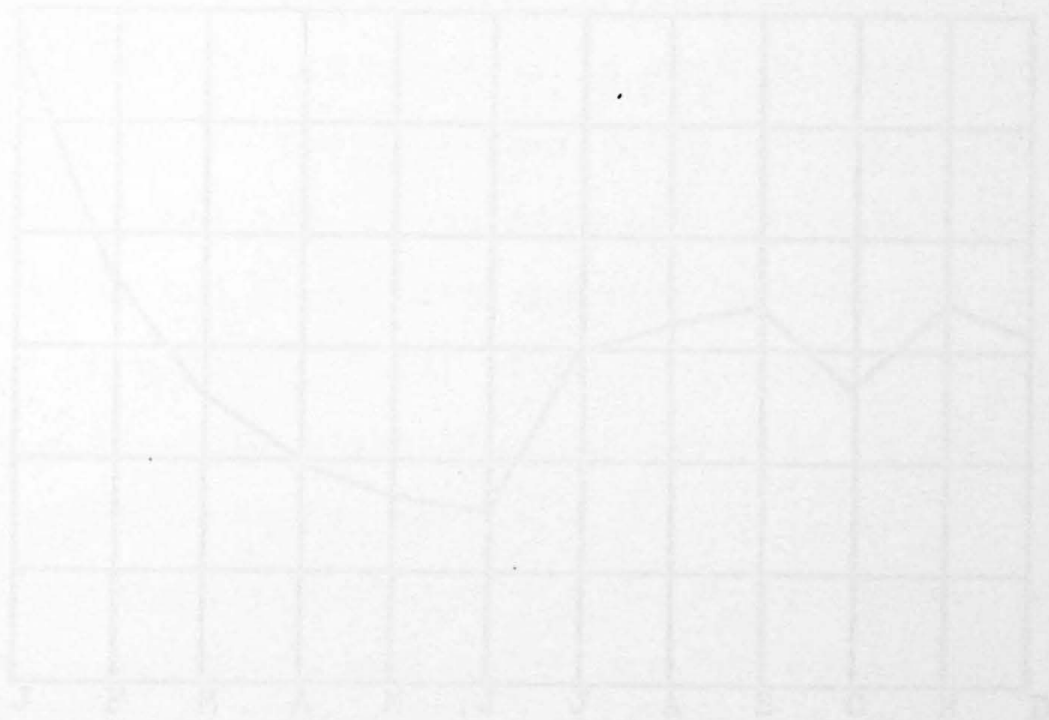


Fig. 4.—Seasonal Influence on Mail-Order

O. W. McIntyre, "Seasonal Influence on Mail-Order," *Direct Mail Advertising Association, 1937*, Serial File 2102.

V. WHEN TO ADVERTISE

The timing of the public offering can have a definite effect on the degree of success of a mail-order campaign. In fact, "The seasonal influence is so important that several large mailers in the mail-order field have conducted seasonal tests for a number of years. The same offer, identical in copy, is mailed each month so that results can be recorded by the month. Reproduced below is a graph which represents the composite experience of a number of magazine and book publishers:"¹⁵

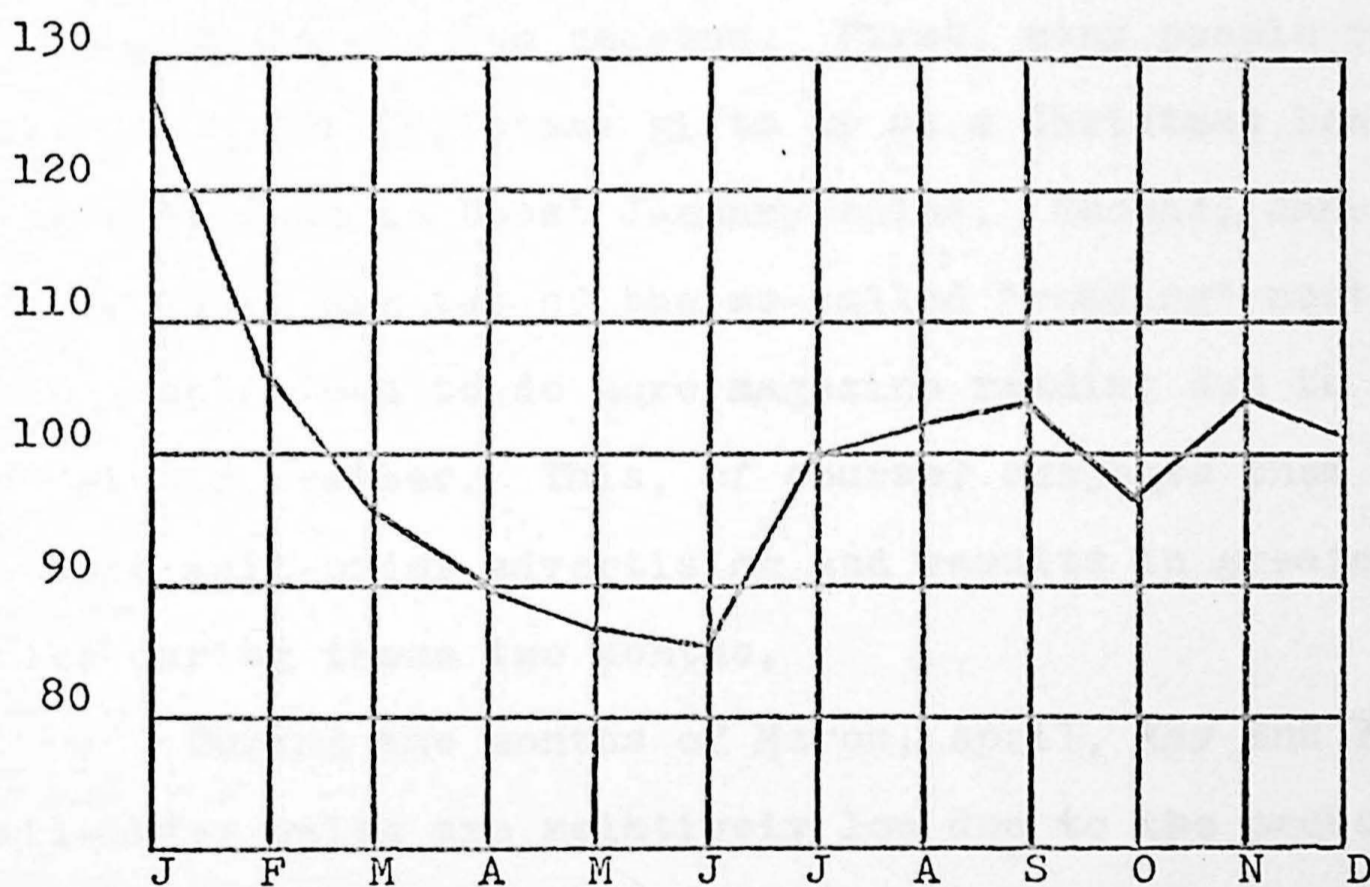


Fig. 4.--Seasonal Influence in Mail-Order

¹⁵O. E. McIntyre, "Seasonal Influence in Mail Order" (Direct Mail Advertising Association, Inc.), manual file 2102.

Fig. 4 graphically illustrates when an individual might be most receptive to a mail-order offering. What seasonal influence might discourage mail-order purchasing? To begin with, December, which is commonly thought to be very profitable, is only a mediocre month. This is the case for two reasons. One, people usually spend their money on Christmas gifts. Two, people are generally afraid to order Christmas gifts through the mail in December for fear of the gifts not arriving before Christmas.

January and February are profitable mail-order months, again for two reasons. First, many people receive cash for Christmas gifts or as a Christmas bonus. This will tend to boost January sales. Second, January and February are two of the so-called "reading" months when people tend to do more magazine reading due to the winter weather. This, of course, subjects them to more mail-order advertising and results in greater sales during those two months.

During the months of March, April, May and June, mail-order sales are relatively low due to the pressures of federal income taxes and the coming of spring. During the spring months, people tend to occupy themselves with outside activities; therefore they are exposed to

less mail-order advertising in magazines they still receive by direct mailings.

In July and August, people again settle down to more moderate activities due to the hot weather.

September, October and November are average months when mail-order sales are relatively profitable and predictable.

Valuable information such as that presented in Fig. 4 can be put to good use when planning the advertising budget. Prestige Publications can increase their advertising in the more profitable months and decrease or eliminate advertising in the less profitable months. The statistics presented in Fig. 4 will be valid for Prestige Publications because the graph represents the composite experience of similar businesses, i. e., magazine and book publishers.

Such statistics will aid in budgeting all types of advertising, but a further refinement is needed for determining when to mail the sales letter. Not only the month but the week of the month can have an effect on the success of the sales letter. What about the week of the month? The first few days and the last few days of the month are avoided by many advertisers, leaving the tenth to the twenty-fifth as the preferred period.¹⁶

¹⁶C. A. Kirkpatrick, Advertising: Mass Communication in Marketing (Boston: Houghton Mifflin Company, 1964), p. 323.

Information concerning the desirable days of the month in which to advertise does not apply to the classified or the display advertisements, because their presentation to the public is dependent upon the publication date of the magazine in which the advertisement is placed.

Everything considered, Prestige Publications will spend most of its advertising dollars during the period of July through February, with special emphasis on the "reading" or winter months of November, December, January and February.

VI. SUMMARY AND RECOMMENDATIONS

Many problems exist in the mail-order field today. One of the most difficult problems centers around the fact that any individual can enter the field with very little capital and almost no knowledge. Another problem deals with the various devices the professional mail-order operators use which "milk" the beginners of their capital with well-worded, get-rich-quick schemes. The last major problem area is that the beginner too often attempts to begin his business selling another company's product while not realizing a sufficient markup from his cost. To combat these problems, a book is being written entitled The Truth About Mail-Order Failures. The purpose of this study is to create a strong advertising program to promote this book. The complete advertising program will include the three types of mail-order advertising: classified advertisements, display advertisements, and direct-mail sales letters.

Before the advertisements or the sales letter could be composed, the potential market had to be analyzed as to size and characteristics. When analyzing the size of the potential market, support was being sought to justify adequate profit potential before any

ore money or time was invested.

Potential market was found to be substantial.

The characteristics of the potential market were analyzed so that the advertising program could be slanted towards satisfying the needs of potential customers. The ideas stressed in all the advertisements and the sales letter are increased income, independence, and security through success.

When writing the classified advertisement, the total word count was kept to a minimum while maintaining the pulling power of the advertisement. The decision was made to request inquiries from the classified advertisement rather than attempt to complete the sale since the purchase price of the book is greater than \$1.50. The classified advertisement was keyed by adding a letter to the post office box number so that the results of the advertisement and the publication in which the advertisement is run can be compared with other classified advertisements.

In the display advertisement, an attempt to complete the sale directly from the advertisement was made since the offer can be presented in its entirety. Since the display advertisement cost is determined by the space used and not the word count, the advertisement can be complete. It is important to point out that

the display advertisement will be presented considerably different than it is in this paper. When it is ready for publication, it will contain a picture of the book. The picture, coupled with the layout of the advertisement and the different sized type used to emphasize certain points, will greatly increase the overall effect and power of the advertisement.

The direct-mail sales letter as presented in this study is intended to represent as closely as possible the actual letter that will be distributed to customers. This letter will be sent directly to names obtained from mailing lists brokers and to persons answering the classified advertisement. It is felt that the sales letter will be the strongest form of advertising, because it allows the complete sales effort to be presented. Various advertising rules and tricks are incorporated into the sales letter so that every possible tool is being used to close the sale without any customer hesitation.

Choosing the proper advertising media was a matter of research. Appropriate publications were examined to determine the quantity and frequency of advertisements for similar products. The advertisements in this study must be placed in publications that potential

customers commonly examine for information on mail-order businesses. Certain publications were chosen to be used solely for the classified advertisement, while others will be used for only the display advertisement or in some cases, both the classified and display advertisements.

The sales letter is the most efficient means to reach only a very select market, for lists are available containing names of persons who have already purchased related products. Selectivity in advertising is the key to a successful advertising campaign if the product is not one that would appeal to the general public.

The total advertising budget will be comparatively small at first since only classified advertisements and the sales letter will be used. As the appeal of the product and the power of the advertisements proves itself, the advertising budget will be expanded to include all of the publications listed in Table 2.

When to advertise is an important point because various seasons and even some months have been proven to be more profitable than others in the publishing field. Fig. 4 clearly indicates which months are above average, average, or below average in the number of responses received.

Many sound recommendations can be taken from this study. First, pioneering can be costly to a beginner, therefore all advertisements will be placed in already accepted sources for information on mail order. Second, all advertisements will be prepared using proven advertising methods and tools. Third, the advertising program will begin with only classified advertisements and the sales letter. All advertisements will be thoroughly tested, rewritten if necessary, and tested again before the advertising program gets into full swing. Fourth, constant research will be conducted to uncover new and better publications in which to advertise and new sources for better mailing lists. Fifth, constant market analysis will have to be conducted so that future advertisements will satisfy any change in customer desires. Sixth, a mail-order business can be profitable if the get-rich-quick theme is disregarded in favor of a logical, conservative approach.

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