

Tape 8 – Kyle Hunter

Gary: The man who has had more experience with that mailing technique than anybody else in the world. And I believe that technique was invented by a man named John Pugsley, and the rest of us have been riding on his creativity since then, is a gentleman named Kyle Hunter. He has a letter shop and some other services in California. I have worked with him for years. I couldn't recommend him more highly. And if you'll welcome him up here, he's going to tell you more about this technique with actual numbers. Kyle, will you please come up?

Kyle: Thanks Gary. I wish my mamma could have been here to hear that. But if you know Gary, and you know and listen to his tapes, you realize that having Gary say that he respects a letter shop, is kind of like hearing Ross Perot say he respects George Bush. A letter shop, in Gary's eyes, is a necessary evil. In some cases, I think he'd rather not even have it. And we all understand why if we've read his preachings.

I'm not going to delve into that realm of the letter shop business, but I would like to fall back on some things that Gary has espoused in the past. And that is, for any direct mail piece to be effective, there has to be four things that happen. It doesn't matter how much money you spend on it, it doesn't matter how creative the copywriter. It doesn't matter how efficient the letter shop. Unless these four things happen, the direct mail piece is not going to be effective.

And that means the piece has to be delivered to the post office. Delivered to the addressee. Opened by the addressee and read by the addressee. What we have specialized in at my company, Personalized Mailing, for the past six to seven years, is trying to make direct mail look like it has come from an individual. And that is not an easy task. Because the market out there today, the recipients that you're mailing to, are much more sophisticated than they once were.

In the past you could slap a label on, maybe throw on a meter or an Endicia and it would get opened. Today, we just have to go to our individual mailboxes and we realize how difficult it is to fight that competition. I hear people talking about their competition in mailing and who they're mailing against. It's always been my contention that your competition has nothing to do with a guy that's selling something that you are when you are in the direct mail business.

Competition is at the mailbox every single day when you go to your mailbox, or your customer goes to the mailbox, to open that mailbox and pull out what's inside. That's where your competition lies. Because as Gary's A Pile/B Pile discusses, if you don't make the cut, if you don't get into the pile that's going to be opened, you've lost. It doesn't matter if you had a hundred dollar bill inside of that.

And today, a lot of that happens. I open all my mail, but that's because I'm in the business. I'm amazed when I open some letter that has a label on it with a crummy looking meter that's first class. People have purposely disguised their first class mail to look like third class and I open it up and it has a dollar bill inside from a market research company. I wonder how many of those dollar bills are thrown in the trash, because it looks like junk mail.

So what we have tried to do is try to take direct mail to a different level. The technique that Gary mentioned – the newspaper tear sheet, and Ted mentioned it yesterday, which I really appreciate. The newspaper tear sheet – how many of you have received or know what a newspaper tear sheet

is? Let me ask you another question, how many don't know what a newspaper tear sheet is? Okay. Well, we mailed about a hundred million of these, so it's possible those of you who don't know what it is, have received one and you didn't even know it was from a direct mail company, but one example, let me just walk you through the components of a newspaper tear sheet.

It normally will come in a white envelope, typed address, and a live, first class stamp. Now why is that important? Because there is only one envelope – well, without having IRS on the corner – there's only one envelope that I can positively guarantee that you can mail out in mass quantities and I guarantee it will be opened. And that's a white envelope. No return address. Typed address. And a live, 29 cent stamp. And why is that? Because this could be from your Aunt Bertha. It could be from your mother. It could be from someone sending you money from twenty years ago. You don't know what it is. Your curiosity will ensure that this envelope will be opened.

And when you open it, lo and behold, someone has taken the time to rip out this advertisement and write a note on it, handwritten, this is addressed to Charles E. Ball. And it says, "Charles, really worth subscribing. – R." Now, who in the world do I know. An "R" in Southern California? Gosh. I went to school with a Robert but God that was 23 years ago. Why in the world? This must really be important if Robert is sending me this after he moved to Southern California. True stories that my clients have gotten is, "My goodness, this guy, I haven't talked to him in 27 years and he sent me this diet ad because he thought it was really important."

So handwritten, the name once you get it open – the envelope guarantees one of the things that Gary discusses. The four main criteria for anything to be effective. The envelope gets it open, and when they open up the envelope, they see their name handwritten, they will read the article. No matter how many times, it works. And quite frankly I'm kind of surprised it continues to work. You would think after a hundred million plus pieces have gone out, that the market, as sophisticated as it is, would continue.

Any of those people that have said they didn't know what the newspaper tear sheet was or looked like. Have you received these? Did you know it was from a company? Did you read it? Now, Gary mentioned his writing an ad that made a mutual customer of ours \$30,000,000. It was probably one of the best direct mail campaigns ever, in my opinion. Simply because it was for a diet ad, and so when you get an anonymous letter that suggests that you try it, it really works, because every one of us think we could shed a few pounds, it worked like gangbusters for about three years.

Now, as we were mailing these 30,000,000 pieces plus, as a businessman I began to think through, okay, what do we do next? How long can this tear sheet last? And so I began to toy with some ideas of what would be a next logical approach. The next thing that we have the capability of mailing, I call it a magazine tear sheet. And this is a magazine article, this particular piece is four colors on the front, three pages, and it's continued from one page to another, with x's marking out the articles that aren't the continuation of the previous article, with an order blank on the back, as if it were a normal advertisement.

This has fit very nicely into the scheme of the tear sheet approach. I have a client, in fact, that mails a newspaper tear sheet first and follows it with a magazine tear sheet several months later, and they found that the magazine tear sheet draws an identical response as the newspaper tear

sheet that they mailed to the same audience several months before. Then they follow that several months later with a regular direct mail piece. What we would consider a direct mail piece, with a letter and brochure. And then, three months later, we go back to them again, with another newspaper tear sheet.

Each time they're getting new orders, each segment pays for itself along the way. The next step of how I try to figure out how we're going to leverage our business and utilize our resources. We began to write on Post-It notes, or write on just the letter in a business-to-business mailing. Many times in business-to-business, as an executive, when you send a letter to someone, it's very typical that as you sign that you'll scrawl a note along the bottom, or along the top, or put a Post-It note on it.

I had another client that tried this. And I said, "Why don't you just try this and see if it makes any difference." So we did an A/B split, and we took 25,000 in each test and we were going to mail 5,000 of each, A/B split for five weeks. After the second week, after testing his normal mailing, which was a control that he'd been mailing for years versus a mailing that had the Post-It note on it, asking for a response, he called me after two weeks and he said, "Stop, don't mail the control anymore."

And I said, "Gosh, it must be working, huh?" And he said, "Yeah, just don't mail it anymore." I don't delve into my clients' results. I don't figure that's any of my business, if they want to share it with me, I'll listen, but I don't really want to know. I figure if they keep mailing, it's working. So, anyway, he came in one day and we were talking and I said, "John, can you give me a little hint? Did this work? I'd be interested in knowing." He said, "Actually, yeah, it really did." And I said, "What kind of percentage?" And he said, "2700%."

I wouldn't even stand up here and tell you that it's going to increase your response 2700%. I wouldn't even tell you it would double it. But what I would like to share with you is an article that was in the *Wall Street Journal* several weeks ago, and I can't get it all up here. If you'd like a copy I have a couple hundred copies in the back that I'd be happy to share with you. Along with a sample of a typed envelope if you'd like that. But if you look through this there's a couple things that are kind of interesting. This is a company that indicates that they're the only company in the country that does this, writing handwritten notes on mail. And they had done a million letters and they had the capacity to do six million. And he indicates that handwritten notes to the right recipients can economically generate a far greater donor response than printed letters.

It says the response rate to slickly printed mailings is about 2%. Handwritten notes generate an 8-12% response. That's pretty significant. We have the capability of doing a million a week. And that's been in force for several years. He also mentions a price in here that if I was charging as much as he was charging I wouldn't be here now, I'd be in the Caymans probably, diving.

But I can tell you that the handwritten I believe to be the next step in direct mail, simply because I believe that our consumer is getting more and more sophisticated all the time. I believe strongly that the laser, personalized letters have become so commonplace, that they've lost some of their impact, and I feel that if something is going to a very high end corporate executive, then I think a lasered letter is a nice approach. But I would still recommend that they try a personal note on the bottom to that executive, because if you're trying to get past a secretary, and she opens a letter, if

it's lasered letter it's possible that it's going to get passed, but if it's got a handwritten note on there, I guarantee you it'll get past that secretary.

The same way if you're mailing to the end user. A consumer. When you see your name in written format, it just calls to you. It's a hook. You've got to read it. We're also working on a couple other things that are state of the art. One of the areas is first class versus third class mail. I'm a strong believer in first class mail for a number of reasons. I think the advantages many times outweigh the disadvantages of the cost. You won't know that until you test it.

However, we are testing something now that is going to, I believe, bring third class mail very, very close to first class mail with regard to response and it will negate some of the negatives associated with bulk mail. I'm not going to go into much more detail on that simply because it's not tested yet. We're testing it. It's a new regulation that's been put into the postal manual that allows us to do something to make third class mail look more like first class. And if you're interested I'd be happy to discuss it with you one on one, but I really at this point don't want to build anyone's hopes up as far as how well it's going to work. Because it may fall on its face.

The last thing I would like to say, just to beat Gary to the punch, is that should we – my purpose is being here is not necessarily to gain new business, even though through people like Ted and some other folks that are my clients in the audience, I would like to say that just so Gary doesn't beat me up. Any business that comes to us as a result of this seminar, we'll donate 10% off the top, not counting postage, to the hurricane relief.

My phone number is 714-646-7008. We're based in Orange County, California. We have clients from Maine to Florida. My largest clients have, in fact, been out of state, coincidentally. So we have a lot of experience. We are a full service letter shop. We do printing and just about everything else. I mean, we can do any type of direct mail, not just the handwritten part. A lot of my clients, once they're satisfied with our work, doing the handwritten part, would just as soon we do it all. So we can do everything.

There's a question in the back. Do you want to wait for that?

Audience: Inaudible

Kyle: Well, it all depends.

Audience: Inaudible

[Laughter]

Kyle: Now the ones under thirty pieces I do myself. It really depends on the description of the job. We're doing a 500 piece mailing now, but sometimes it's more beneficial for you to do something at a word processor. If you live in Ohio and you would like to mail something and it would be better suited to do it as a local word processing, secretarial operation, I'm going to tell you that. We haven't spent any money on brochures or advertising, and the reason we haven't is because I prefer to discuss your job person-to-person and develop and talk about ideas and maybe throw some new ideas out.

I like to talk to you while you're in the process of developing your package even. Because sometimes I find that a lot of letter shops will just take your package that you've developed and cost you a fortune. I'd rather you be aware as you're developing a package and you're testing a package, that you make sure that what you're developing is something that can be rolled out and yet not cost you an arm and leg. It doesn't make any sense to spend money testing if you can't roll it out.

Audience: You mentioned those tear sheets, you said newspaper tear sheets followed by a magazine tear sheet followed by a direct mail piece followed by a?

Kyle: Just a paper tear sheet.

Audience: Another tear sheet.

Kyle: But there's nothing magic about that. That's just how one client is doing it.

Audience: Inaudible

Kyle: It's personalized mailing.

Audience: When you say handwritten on a Post-It note is that computer generated or is that actually handwritten?

Kyle. No, that's hand handwritten.

[Laughter]

Audience: I get a lot of those that are handwritten to me, and they're addressed to "Art." But I know that anybody who knows me addresses me as "Kip" and I throw those out right away. How do you handle that?

Gary: We're going to have a general question and answer session with all the experts up here. Just stick around for a second, Kyle. I don't know about all the results that Kyle got, but I do know that I did one that he mailed to the rate of 125,000 a day. And I don't know how much the client made, but he paid me for my 5%, \$1,200,000. So this man's talking about a technique that works. Would you give him a hand because I think he's [?drowned out by applause]. Thank you Kyle.