



Drumming Up Business With Direct Mail

by Kendall Holmes

We all know successful builders and remodelers who spend nothing on advertising. Maybe you're one of them. I used to be.

The recession that had plagued other parts of the Northeast since 1989 finally swept into the small central Maine city where I lived early in 1991. It hit with a vengeance.

As prospective customers grew skittish about the worsening local economy, the way I had found customers in the past — word of mouth — no longer worked.

Nonetheless, my company staged a modest recovery. I did it by launching a direct mail advertising campaign that got our phones ringing again. Calls brought in all sorts of jobs, ranging from a \$285 porch to a \$15,200 kitchen and bedroom remodel. The direct mail campaign literally saved me from having to shut my company's doors. And it wasn't expensive, because I developed both the brochures and mailing lists myself.

Doing the Desk Work

I created the brochures with my personal computer and two fairly simple software programs. I used a data base program (part of *Microsoft Works*) to compile a mailing list and to print mailing labels, and an easy-to-use \$125 desktop publishing program called *Publish It!* to design and lay out the brochures.

I designed the brochures to fit on standard 8½ x 11-inch paper. When folded into thirds and printed on both sides, a standard sheet of paper becomes a six-panel mailer. I used five of the panels to introduce my company and its services to potential customers. On the sixth panel, I put the mailing label, postage, my return address, and my phone number.

I tried to keep my message friendly, informative, and free of hype. I explained what types of services my remodeling company offers — additions, garages, kitchen and bathroom remodels, and the like. I stressed that we deliver quality work at reasonable prices, and that we work with

potential customers to make a remodeling project fit their budget constraints. I told people that we were eager to fill holes in our schedule. And I told them that we are insured, we guarantee our work, and we give free estimates.

Once I was satisfied with how the brochures looked and read, I brought them to a local print shop to be photocopied and folded. In the meantime, I worked on developing a mailing list.

Narrowing the Audience

Using a street map and a local city directory, I selected a group of neighborhoods where I had either done remodeling jobs in the past or hoped to work in the future.

To keep things simple, I didn't type in names. Instead, I simply mailed the flyers to "Resident" at each address in our computer file.

The mailing worked — the phone started ringing immediately, and some jobs came in.

But I also knew that many people would toss our flyers in the waste-basket without looking at them. To improve my chances of getting noticed, I followed up the first mailing with a second, and in some cases, a third.

It paid off. In a seven-month period starting in late March, I spent about \$850 to print and mail roughly 3,000 brochures to about 1,300 households. This brought in \$47,000 worth of remodeling jobs. That might not sound like much if you run a company with sales of \$500,000 or \$1 million a year. But the jobs were crucial for my own \$100,000 to \$200,000-a-year firm.

I was also happy that the campaign seemed cost-effective. Not including the value of my own time (of which I had plenty) my brochures created about \$100 worth of business for every \$2 I spent to print and mail them. This doesn't mean I made a 5000% profit, of course; the mailings were just one more expense I had as part of overhead. But for less than \$1,000 I was able to introduce myself and my company to owners of older but well-kept single-family homes —

precisely the type of home I most often work on.

At least for our market, our campaign was original. While many local builders and remodelers were already advertising their services on radio and in the local daily newspaper, I knew of no one who had tried direct mail.

Quality Leads

Best of all, our direct mail efforts attracted good customers. I didn't know what to expect when I started the project; I feared I'd get "shoppers" hunting for cut-rate bargains, and that they would be hard to land as solid contracts.

What I found surprised me. To begin with, the people responding to the brochure proved as likely to hire my company as did those who had a recommendation from a friend or neighbor for whom we'd done work. I usually get one job for every three estimates I do; that ratio held true for our direct mail customers as well. Another pleasant surprise was that the people who responded to our brochures seemed no more or less aggressive regarding price than other potential customers.

Finally, the remodeling jobs we landed were about the same size as those we were already doing. Our jobs formerly averaged about \$5,000 each; the ones we got through direct mail averaged \$4,300 each.

Our direct-mail efforts saved the day, at least temporarily. They helped me find customers during a deep recession — at a time when many other local builders and remodelers who are far better established than I had little or no work. As it happened, even that work wasn't quite enough to see me completely through the recession; in March of 1992 I left contracting to resume my former career as a journalist. Obviously, direct mail can't guarantee success; but if done efficiently and targeted well, it can most definitely bring in quality leads and expand your client base. ■

Formerly a remodeling contractor, Kendall Holmes is now a senior editor for Remodeling magazine in Washington, D.C.