

HOW TO START  
YOUR OWN  
MAIL ORDER  
BUSINESS

*by Ken Alexander*



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# *Introduction*

MAIL ORDER IS AN AMERICAN innovation—soliciting, receiving, and shipping orders mainly by mail; strictly speaking, it is a way of doing business rather than a business in itself. Despite the rapid advance of transportation and the shortening of the time between city and farm, mail order has continued to grow in popularity since its inception in the early 1870's.

Today it would be difficult to find a family which has not at one time or another made some purchase through the mails. So thoroughly integrated in the life of the community is mail order that many are unaware, when they send a subscription to a magazine, an order to the local department store, or a contribution to a favorite charity, that they are, in fact, mail order customers.

The popularity of mail order, despite the easily reached, fully stocked local stores, must present somewhat of an enigma to one newly arrived in this country. The impersonal nature of the transaction, the necessity of buying sight unseen, and the waiting period would appear as disadvantages when compared with a personal shopping spree in a large nearby store. The visitor would not easily comprehend why a customer should willingly forego touching, examining and sampling the merchandise on the spot. But the clue to the success of mail order lies right here. For a good many years, the mail order catalog was the department

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store for most of rural America. A shopping spree meant filling in every line on the order blank. The habit has stuck, and in one way or another, an ever-increasing public has joined the parade.

Our visitor to the contrary, mail order does present certain advantages to the modern shopper—yes, even to the large city dweller. For one thing, convenience, especially when work or household duties make it difficult to take time off for a trip to the store. Unquestionably many a customer has turned to mail order with a sigh of relief after a rush-hour battering in a big department store. Businessmen, particularly, show a preference for shopping by mail. A prominent New Jersey mail order tie company has taken cognizance of this fact with a letterhead showing a businessman, his legs on the desk, examining a set of ties just received by mail; underneath the drawing is the slogan, "The Way Men Like To Shop."

Another reason many prefer mail order is price. The large mail order companies' established policy of lower prices for standard quality merchandise is associated in the public mind with all mail order. If this reputation is sometimes abused by new or smaller companies, the customer has learned to call upon the cooperation of a host of official agencies in getting satisfaction.

Then, there are a good number of people who shop by mail out of curiosity; they might be called comparison shoppers. The writer has read hundreds of letters from people who admitted frankly that their only motive in sending for a product was to see what it was like.

People also shop by mail because it is the only way

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certain products or services can be obtained. Specialty merchandise, home kitchen products, glamorized regional goods, correspondence courses, and individualized novelties fall in this category.

Finally, there are people who prefer mail shopping for products and services of a personal or intimate nature. Hundreds of thousands of marriage manuals are sold through the mails annually, although such books are available on any book counter. Urine analysis can be obtained in any drug store; yet several laboratories do a substantial mail order business with this service.

Not only the buying public has taken to mail order, but an ever increasing number of businesses. Mail order departments are responsible for a good part of the annual gross sales of most of the large department stores. Manufacturers, insurance companies, book publishers, wholesalers, now look to the mails for that extra 15% or 20% sales that spells the difference between profit and loss.

For a short period in the last ten to fifteen years, as the giant mail order companies began to establish retail outlets in the large cities, it appeared that the trend was away from mail order; but this was temporary. In effect, these retail outlets made an entirely new public mail-conscious. Today, a trip to any of the stores will find customers scanning the pages of the huge, colorfully illustrated catalogs, fascinated by the array and variety of products, ordering items not in the store (but probably available only a few steps away in a nearby store).

The case histories of the mail order Horatio Algiers would fill a tome the size of one of those familiar catalogs,

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but it is not with them that we are concerned. Our task is to show how anyone with limited capital can get into the business.

As already indicated, mail order can be a business in itself or a department in an established enterprise. The large companies have the funds to hire experienced people for organizing such subsidiary departments; but the small businessman, storekeeper, mechanic, farmer, housewife, need a less expensive way; it is for them that this book is intended. Also for the worker who cannot afford to quit his job but wishes to try mail order as a part-time vocation (evenings and weekends). The resourceful but shy individual who has always looked on mail order as a business ideally suited to his personality should find here the information needed in getting started at last.

Because most of these small people will generally begin with one or two products, or a line of related products, the discussions to follow will take up the problems they are most likely to encounter, rather than the problems of large, well-staffed establishments.

# *How To Pick A Winning Idea*

IF EXPERIENCE TEACHES ANY-thing, it is that most newcomers break into mail order with specialties or novelty items; this, however, does not preclude beginning with staples. It should be pointed out that once established, the "staple" mail order firm has a better chance for survival than the "specialty" firm. Too often, phenomenal results are obtained with a specialty for a year or even two, and then the orders begin dropping off, the advertising cost per sale goes up, and suddenly the head of the firm is looking for a new item or a new business or his old job.

If your forte is the novelty or specialty, do not let this touch of pessimism dampen your ambition; its intent is rather to forewarn you and to anticipate such an eventuality by preparing substitutes or side-lines long before the decline. Then too, the sad day may never come. There are well-established mail order firms doing business with the same item they introduced ten or twenty years ago. Some so-called experts disparage novelty or "fad" items because of their short life-span; this advice is fine for the well-



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heeled beginner who can take his time and shop around for a product with longevity possibilities. The opinion offered here is that any legitimate item that gets you started profitably in mail order, no matter how short the duration, pays its way, if not in large profits, then at least in valuable experience to be applied later more gainfully. The important thing is to get started; don't procrastinate—do it today  
1

### *Selling Staples in Mail Order*

A staple is any commodity the public regularly uses and for which there is a steady demand. This classification covers food, clothing, tobacco, household supplies, and any other product a large group of people find essential to everyday living.

The beginner without a set idea will probably do well to eschew staples unless opportunities exist for special purchase, permitting him to offer lower than established prices; or if as a result of local laws, certain regional differentials make it possible to offer the residents of a particular state products by mail at prices less than those locally obtainable.

An outstanding example is the mail order sale of brand-name cigarettes to states where local taxes had driven the price to a point where it was profitable for the merchants to absorb the extra costs of the mail order operation and still allow the customer a substantial saving. A recent Congressional law, the Perkins Act, has challenged this practice by making it possible for the State to collect the tax differential from the customer. The constitutionality

### *The Idea*

of this law is being tested by one of the largest operators. The staple is ideal for an established business already selling such merchandise. Sales resistance is comparatively easy to overcome if the price is substantially lower than that locally offered. Elaborate promotion material may not be required. An offering of three vacuum-packed cans of a national brand of coffee may be made on a combination postal card, provided a good saving can be promised the customer. Most of the methods used by local retail merchants to attract business, such as loss leaders, combination sales, etc., are applicable to mail order, but always there must be just a little bit extra to the offer.

### *Specialties*

In this group are many products which are really staples, but because they are most successfully merchandised through mail order (especially by beginners) and in the minds of the buying public have an exclusive character not available elsewhere, they are being discussed separately.

Specialties are products that are either exclusive with the seller or never obtained national retail distribution because the manufacturer lacked the money or the sales organization, or in some cases, where the advertising failed to keep pace with distribution. An example of the latter is the widespread sale of a brand-name home paint sprayer by a specialty mail order company despite the good retail distribution by the manufacturer.

### *Regional Products*

Also covered by this classification are regional prod-

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ucts not easily obtained in another locality—Florida citrus jams and jellies, New Mexican and Indian blankets, leather and hammered silver products, Gloucester and Cape Cod fish products, products from faraway lands, etc.

### *Disguised Staples*

Some specialties are disguised staples (basic necessities) for which a new use has been discovered either by a slight alteration in design or by the addition of some "gimmick." Height-increasing shoes are an example of the metamorphosis of staple into specialty.

Neither by its exclusiveness or newness can a specialty be expected to succeed unless it fills a basic need for a large number of people—the larger, the better. A patent conferring exclusiveness of monopoly character on the inventor is no guarantee of success in mail order if the invention has only a narrow appeal.

### *Novelties*

The demarcation line separating specialty and novelty may indeed be faint. Here the reference is to items of temporary popularity such as fads. Their appeal is frequently only to the younger public—novelty jewelry, picture albums and medallions of the current newspaper "heroes," magic kits, etc.

### *Exclusive Services, Schools, Courses, Information*

Correspondence schools, stock information, business analysis, news letters, insurance services, handwriting analysis, horoscope readings, laboratory analysis (urine, etc.), art courses, music lessons, and similar services are popular

### *The Idea*

mail order businesses. The beginner, lacking certain specialized skills (professional or technical), is cautioned to eschew this category. Many states now require licensing of correspondence schools by State Boards of Education. Qualifications are rigid—principals must have the proper scholastic and pedagogic backgrounds.

### *Personal Products*

Orthopedic devices (rupture supports, back and shoulder braces), marriage manuals, personal hygiene products, hair colorings and medicines, salves, lotions, skin preparations, cosmetics, denture products, are all favorite entrees to mail order.

### *Legal Restraints on Mail Order Sales*

There are strict federal and local regulations governing the sale and labeling of such products. The federal government has laws against the mailing of obscene matter. Exaggerated claims and misrepresentations should be avoided. If any doubt exists, obtain an opinion from the Federal Trade Commission, Federal Food and Drug Commission, the Post Office in Washington, and the local Board of Health.

New interpretations of law are constantly being made. A claim considered reasonable today may be not so tomorrow. Conversely, a federal court decision may upset a too strict interpretation by one of the regulating agencies. The knowledge that our largest corporations are in constant litigation with the federal agencies over matters of advertising claims and labeling, despite large high-priced legal staffs which should be able to advise what may or may not

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be said, indicates the difficulty of making any flat statement here as to what is proper.

The self-censorship, imposed by most publications, radio and television, will to some degree prevent the new advertiser from making misleading or fraudulent statements in his advertising. Since a restraining hand may not be present in direct mail, the beginner is again counselled to write the above agencies for their bulletins and opinions.

# *Where To Get Your Item*

ONCE AN IDEA OR ITEM HAS been decided upon, locating a supplier should be no problem. The classified telephone directory is a wonderfully helpful source book. So too are the statewide industrial directories which many states publish, listing the major manufacturing establishments and their products. These compilations and others published by private companies are available at most public libraries.

Frequently the "raw material" is right at home. A druggist, starting a mail order department in cosmetics or home remedies, will find everything needed right in his prescription room. The same applies to a haberdasher, book dealer, hardware merchant, stationer, printer, etc. There is only the decision to take the fling; having settled that, they are ready to start.

## *Problems of the Beginner With a Job*

But what about those people who (at least in the beginning) fill a full-time job in somebody else's employ and for whom mail order must be a weekend or after-work

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undertaking? The cooperation of a relative or friend in making necessary connections to get the product would, of course, be the ideal solution.

Lacking such assistance, one has to take time off occasionally for a day or a few hours to do this important spade work personally. Very often the employer can be of great aid, despite the fact that success may eventually lose him a valuable employee. Your own personal relationship will determine the extent of his helpfulness.

### *Home Products*

A resourceful person will not be deterred by the slight personal sacrifice that may be necessary to get started. There are many products that can be made right at home, such as preserves, candies, cookies, wood carvings, relishes, sauces, picture enlargements, etc. The "home kitchen" tag has always been good for extra orders and several going mail order businesses attribute their success to this fact.

Jim Boles had only moderate success in mail order with jelly preserves prepared for him by a local canning company. The product itself was excellent and it was personalized with a "Mother Boles" label. Mailings stressed the "old family recipe" appeal, and as mailings go, Jim's was better than average. During a seasonal slump, the cannery informed Jim that his orders had dropped to a point where it no longer could produce the preserves at the original price. This meant more money or larger orders.

Jim was about to chuck the whole thing when an advertising friend suggested that he try making the product home and play it up big. Jim listened and then decided to

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give it a try. The new circulars showed a photograph of a real home kitchen presided over by Jim's mother and new copy stressed the non-commercial aspect of the product. In a few months, a large annex had to be built to the Mother Boles kitchen and Jim was a success.

This story is not intended to convey the impression that a sure way to succeed is to tag "home-made" on a product, but rather as an example of how a little resourcefulness can turn a marginal business into a going, profitable venture.

### *Caution Against Overstocking*

The beginner with an untested offer is cautioned against overconfidence in buying stock. Arrange with the supplier to buy the merchandise as the orders come in. If this makes the unit cost higher, it is cheaper than getting stuck with a large unsalable inventory. Overstocking has been the Achilles' heel of many a small mail order firm. Money that should be used for more mailing and more tests, is tied up in non-moving stock.

Once the tests are done with, and one has some idea of what the offer can do, it will be necessary to assure a stock sufficient to fill all expected orders; but even in the latter case, a system of gradual purchases can be worked out in accordance with the anticipated pull. See Chapter XL



# *How To Figure Costs*

A COMMON QUESTION ASKED by newcomers to mail order is, "What should my mark-up be if I'm to succeed?"\* The most frequent answer heard is "At least 2-to-1, or better still 3-to-1, and for real safety 4-to-1." In dollars and cents, this means that a pipe normally retailing for \$2.00 should cost a maximum of \$1.00, but to be really sure of succeeding, not more than 50¢.

These ratios and prices are nonsense. It is possible to pay nothing for an item and still take a beating. For example, a well-meaning uncle, retiring from a sporting goods business, makes a gift of 500 hunting knives to his young nephew. Mr. Young Nephew, fired by the stories of quick killings in mail order, decides to run a half-page ad in one of the men's magazines. He manages to scrape together the \$600.00 for the ad. "Shrewdly," he cuts the price of the knives from \$7.50 to \$6.00. He does some quick arithmetic; the figures look good. We peek over his shoulder and see:

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COSTS		EXPECTED INCOME	
Cost of knives_____	\$000.00	500 knives	
Ad .....	600.00	@ \$600	\$3,000.00
Art work and plates	100.00	GROSS INCOME	\$3,000.00
Handling and postage .....	<u>50.00</u>	Less Cost.....	<u>750.00</u>
TOTAL COST . . .	\$750.00	EXPECTED PROFIT	\$2,250.00

That profit looks good on paper.

Let us wait and see what actually happens. The scene is eight weeks later; we're back at the nephew's shoulder. This time we note:

COSTS		ACTUAL INCOME	
Cost of knives_____	\$000.00	100 knives sold	
Ad .....	600.00	@ \$6.00 .....	\$600.00
Art work and plates	100.00		
Handling and ship-		TOTAL COST .....	\$710.00
ping 100 knives	10.00	TOTAL INCOME .	<u>600.00</u>
TOTAL COST . . .	\$710.00	Loss .....	\$110.00

"But the knives cost nothing—how can that be?" we hear him mumbling.

#### *The Advertising Order Cost*

The lesson is clear. The principal factor that determines mark-up in mail order is the pull in relationship to the cost of the advertising (advertising order cost). What confused the nephew was the assumption that the knives cost him nothing. Actually each one sold carried a \$6.00

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advertising tag. The tale might have had a sadder ending. What if only 50 had been sold?

Now let us examine another case. "Mail Order" Casey is the lucky bidder at an auction on 1,000 fishing rods. He too buys a half-page ad in the same men's magazine. Casey's bid of \$2.00 per rod gives him a 3-to-1 mark-up because his selling price, like the nephew's, is to be \$6.00. There is plenty of time to uncrate the boxes containing the fishing rods and Casey goes about his other mail order duties.

When the first orders start to come in, the crates are opened and the rods connected. The count is true—1,000— but to Casey's consternation, 400 of the rods are broken. This is a black day for him. He has paid \$2.00 per rod or a total of \$2,000.00, but now only 600 are saleable, which means that each saleable rod actually costs him \$3.33 and his mark-up will be less than 2-to-1. To Casey this fact makes a loss inevitable.

But let us wait a few weeks. Here is Casey again poring over his records for this particular ad and we see:

COSTS		INCOME	
600 saleable rods	\$2,000.00	600 rods @ \$6.00	\$3,600.00
Cost of ad.....	600.00		
Cost of art work			
and plate.....	100.00		
Costs of shipping			
and handling		INCOME.....	\$3,600.00
600 rods.....	<u>160.00</u>	COSTS .....	<u>2,860.00</u>
TOTAL COST . .	\$2,860.00	PROFIT .....	\$ 740.00

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Casey is pleased but puzzled. "But the mark-up was less than 2-to-1," we hear him wonder aloud as we leave.

Theoretically, it is possible to make money on an item selling for \$2.00 even though it cost \$1.90. Here is an example. An inventor of a new lightweight slide rule buys a page ad costing \$1,000.00 in one of the science books. Estimated cost of manufacturing the device was 50¢, but as a result of unforeseen manufacturing difficulties, the cost was actually \$1.90. It was too late to cancel the ad or change the selling price—there was nothing to do but wait or declare bankruptcy. Now the miracle happens—100,000 cash orders come in (no C.O.D.'s in this offer) from the one ad. The orders are filled, and the profit and loss statement shows:

COSTS		INCOME	
100,000 devices @		100,000 sold	
\$1.90 .....	\$190,000.00	@ \$2.00 .	\$200,000.00
Ad .....	1,000.00		
Plates and art . .	100.00		
Shipping and			
Postage @ 1½	1,500.00		
Shipping envelope			
@ \$4.00			
per M .....	400.00		
Addressing @			
\$4.00 per M . .	400.00		
Other costs—rent,		INCOME . . .	\$200,000.00
clerical, etc. . .	<u>500.00</u>	COSTS .....	<u>193,900.00</u>
TOTAL COSTS .	\$193,900.00	PROFIT . . \$	6,100.00

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Naturally, this is a hypothetical case, not likely to occur in real life, although the writer knows an actual case where a page ad on another product produced almost as many orders.

How then is the newcomer to determine his mark-up or costs? The answer is, by testing. Here are several simple illustrations.

#### *Finding the Right Buying Price*

Bill Handy has perfected a home paint sprayer. Similar sprayers retail for \$12.00 and Bill decides to market his at \$12.00, too. Not having the cash for manufacturing machinery, he makes arrangements with a contractor to furnish the sprayers at \$6.00 each. Bill sends out his first mailing to small home owners. The cost of the mailing (5,000 pieces) is \$200.00. After 40 days of pull, Bill has 50 orders. His tally sheet shows:

COSTS		INCOME	
Cost of mailing . . .	\$200.00	50 sprayers sold	
50 sprayers @\$6.00	300.00	@ \$12.00 .....	\$600.00
Handling and post			
age, etc .....	<u>50.00</u>	INCOME .....	\$600.00
TOTAL .....	\$550.00	COSTS.....	<u>550.00</u>
		PROFIT.....	\$ 50.00

Bill feels that this is not enough. He decides to shop around and finally finds a contractor who will produce the sprayers for \$5.00. This will now give a profit of \$100.00 per 5,000 mailing. Bill prepares to circularize a million home owners, and if his big mailing does as well as the

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test, a neat \$20,000.00 profit awaits him for each million mailing. It was testing that showed Bill what he could afford to pay.

Obviously, once a successful promotion has been found, the cheaper the costs, the more the seller makes—but this is not the same as setting up an arbitrary mark-up ratio.

#### *Testing for the Right Selling Price*

Mary Grey decides to go into mail order, selling a hair coloring. A druggist friend has agreed to supply the coloring @ 20¢ per 8-ounce bottle. Mary feels that the \$1.00 price affords a decent mark-up (actually 5-to-1). Her first ad in an older women's magazine produces 100 orders. Mary's profit and loss sheet shows these figures:

COSTS		INCOME	
Ad .....	\$100.00	100 bottles sold @	
100 bottles of color-		\$1.00 .....	\$100.00
ing .....			20.00
Cost of handling		COSTS.....	\$140.00
and postage	<u>20.00</u>	INCOME .....	<u>100.00</u>
TOTAL COSTS . .	\$140.00	Loss.....	\$ 40.00

Undaunted, Mary decides to retest with a different price and larger bottle. This time, the selling price has been jacked to \$1.75, but the costs too, have gone up to 40¢. Her mark-up has gone down from 5-to-1 to about 4½-to-1. Again a \$100.00 ad is purchased and this time the tally sheet shows only 90 orders. But what does the profit and loss sheet show?

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COSTS		INCOME	
Ad .....	\$100.00	90 bottles sold @	
90 bottles @ 40¢. .	36.00	\$1.75 .....	\$157.50
Handling and post			
age .....	<u>20.00</u>	INCOME .....	\$157.50
TOTAL COSTS ..	\$156.00	COSTS.....	<u>156.00</u>
		PROFIT .....	\$ 1.50

Still not too good. Mary has more testing to do. The point, however, has been made—costs and selling price are to be determined in the process of testing.

# *How To Begin Operating*

THERE IS NOTHING MYSTERIOUS about the formalities of starting a business. If it is your intention to use your own name without the "company" attached (i.e. John Small) then you are in business the day you print the first letterhead or place the first advertisement. Registration papers are required by most states if the business is to be conducted under an assumed or trade name, such as the ABC Mail Order Co. or Jim Small Products Co. Usually these registration papers are obtained for a very small fee at the local County Office or City Hall. Obtain three extra copies, as it will be necessary to deposit one with the bank, another with the post office where your money orders will be cashed, and of course you will want a copy for your own records.

It is best to use the services of an attorney if the business is to be conducted as a corporation or partnership. He will take care of all the details and you may start the minute formalities are over.



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### *Working From Your Home*

Unless local zoning laws forbid, you may start right from home. If local ordinances do prohibit the operation of a business in your residential area, then rent a post office box for a small monthly fee. A better set-up would be for a business friend to permit you to use his address as your own.

### *Renting Mail Order Service*

Many of the large cities have commercial mail address services which may be rented for a nominal monthly charge. Mail may be picked up from these offices, or for a very small additional sum, forwarded daily to you in a large envelope. Of course, these are temporary devices until the business prospers and is able to stand by itself; it will then be more convenient and efficient to have your own office.

### *Postal Permits*

A mail order business, soliciting orders exclusively through publications, radio or television, might do without postal permits, but as there are few companies that do not use business reply envelopes or cards, or do not mail in bulk under special reduced rates, it is best that these permits be obtained at once. The added cost of first class mail would drive borderline companies right out of business. This fact will become apparent when later chapters are studied.

Here are the permits to obtain:

#### *1. Bulk Mailing Permit*

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This permit, under law, requires a fee of \$10.00 (subject to Congressional change). It enables the mailer to take advantage of the lower postal rate for bulk mailing—a cent a letter, or 1,000 letters for \$10.00. (At present writing, there is pending in Congress a bill to raise these rates to \$15.00 or even \$20.00.) The same 1,000 letters would take \$30.00 worth of postage if mailed first class. At present rates, this means a saving of \$20.00 per thousand. If the saving seems trifling at first glance, it must be remembered that even the small mail order companies, specializing in direct mail, rarely mail less than 100,000 letters per month. The difference between the first class and bulk rates (3rd class: 44-66) is now \$2,000.00 per month or \$24,000.00 per year. Annual mailings of one to five, and even ten million are not uncommon, and here the savings are indeed substantial. 2. *Permit To Use Precancelled Stamps*

Once the bulk mailing permit is obtained, it is necessary to decide whether you will use precancelled stamps, metered mail, or envelopes with pre-affixed stamps. The likelihood is that in the beginning it will be less tax on the pocketbook to use precancelled stamps. Letters sent under this classification are unsealed.

At least 200 letters must be mailed at one time, and the envelopes arranged and tied by zone. Detailed information is obtainable at your local post office. Approved envelopes which appear to be sealed, selling under trade names such as "Cent-a-Post," and "Penny-Savers," are preferred by many mail users. The flaps are sealed after the material is inserted, but one side has been left open for

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postal inspection at the time of manufacture. Any good printer has a complete line of these special mailers. 3. *The Business Reply Envelope and Card*

Who has not, at some time, received a solicitation for business, charitable contributions, magazine or newspaper subscriptions, that did not conclude with the very familiar, "Just mail your order [or remittance] in enclosed, postage-free [or no postage required] envelope"? Probably the most famous piece of mail is this clever gadget for making it easy for the customer to spend his money for merchandise, sight unseen.

The business reply envelope is used where a remittance is asked for with the order and for offers of a personal nature where privacy is desirable. The mailman collects the fee for business reply cards and envelopes upon delivery.

To facilitate the business of getting your permit, it is suggested that a proof be first obtained from your printer with the permit number left blank. Upon submission of the proof to the postmaster, he will assign the number and usually grant the permit on the spot. The printer can then insert the number in the proper place and proceed.

Of course it is desirable to have a printed letterhead but the use of rubber stamps is permissible, where funds are limited. Again this must be regarded as a temporary expedient; a rubber stamp just does not rate with a neatly printed letterhead for winning and maintaining customer confidence.

# *How To Get Orders Through Publications*

## THE FORMALITIES OF INAUO

urating the business are over now; the die is cast. The item to be sold has been selected and provision for a supply, when the orders begin coming, has been made. Now a decision must be reached: where and how to test?

Let us review first the sources of mail order. Most mail order business comes from advertising via publications (magazines, newspapers, almanacs); direct mail (circulars, catalogues, etc.); radio, television and miscellaneous media (match books, car cards, etc.). Although no figures are at hand, a guess placing direct mail as the most popular medium, and publications next in order, would probably prove correct.

In this chapter we will take up publication advertising; other media will be discussed later.

### *Selecting a Publication*

The type of product or service to be sold will immediately rule out certain magazines and newspapers, thus narrowing the field and making a selection easier. Would you advertise dresses, pressure cookers, nylon stockings in a

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man's magazine? Obviously not. The publication you want must have a predominantly feminine readership. How about sporting goods, auto accessories, men's apparel? Sound judgment would dictate an all-male magazine.

Newspapers present a more rounded circulation; the division is not as sharp as between men's and women's magazines. There are few papers, with exceptions in the financial and sporting field, that could be classified exclusively male or female. However, even here there is a choice. Some papers fall into the so-called family group. These are usually afternoon or evening papers, which the breadwinner brings home from work and are read by the whole family. The morning paper, bought on the way to work, might then be considered male. Inquiry at the newspaper office should disclose more facts about the circulation.

The family newspaper is probably best suited for merchandise having both a selective and universal appeal. A picture enlargement offer, gun sight, or cosmetics, would probably sell in the family newspaper, while in the morning or business paper, only the gun sight might do well.

Are there products and services that may be advertised profitably in both groups of magazines? Of course. A comparison of men's and women's magazines will disclose many similar offers in both. Obviously such offers have a universal appeal. In this group are correspondence courses, gray-hair colorings, jewelry, home gadgets, medications, etc.

In addition to men's and women's magazines, there are some whose circulation is about equally divided between the sexes. Generally, it is safest to test products with a wide appeal in this group, but like everything in mail

### *Publication Advertising*

order, the hard-and-fast rules always produce exceptions. See the Appendix for a partial listing of publications frequently used by mail order people.

#### *Determining the Size of the Ad*

In the beginning, the pocketbook will determine the size of your ads, but for the purposes of this discussion it will be necessary to assume that you are not handicapped by a lack of funds.

The primary factors to consider in choosing the size of an ad are the nature of the circulation and the rate structures. In everyday language, this means that if only 10% of the magazine circulation selected for testing is in the older age group, it would be wasteful to schedule a full page ad in selling stockings for varicose veins. More sensible space would be about a tenth of a page, on the theory that those using or needing such stockings will be drawn to the ad anyway. The rate structure of the magazine may be such that a fifth of a page is only slightly higher than a tenth, in which case the larger position is recommended.

We come now to the inevitable exception! If you perfected a revolutionary stocking, really feeling like and resembling regular stockings, then larger space—even a page—would be practical and probably very profitable. The psychology behind this large spread is, by reason of its sensationalism, to persuade as many (if not all) of the magazine readers who normally use such stockings to send for your product—even those who usually would not consider buying by mail.

Let us examine how to decide the size of an ad for a

## *Chapter Five*

new weed killer to be run in a farm magazine. A small ad probably will get little attention because the farm publications are full of weed killer ads, and the readers may be a little tired of seeing them and wary of their claims. Clearly, it will be necessary to overcome this skepticism, which is not likely to be accomplished with anything except a large ad—a full page perhaps, with very strong copy.

Where would one advertise a remedy for blemishes, pimples or blackheads? The best media would seem to be teen-age magazines, comics, movie-fan books, song lyric magazines, etc. Since most of the juvenile readers have, or think they have, some skin disorder, large space is indicated.

### *Advertising Rates*

An examination of the rate cards of any group of similar type magazines will show substantial variations in the cost per thousand readers. This fact should be taken into account in selecting advertising media. The publisher of the higher price (per reader) magazine will defend his rate on the grounds that the circulation is "better," more "loyal" to the magazine, etc. This may be so, but you are not out to buy "better" circulation—it is customers you want. Good sense indicates trying the magazine with the lower (per reader) rate. Publishers supply rate cards upon request.

### *Special Testing Media*

There are a number of newspapers and magazines that some mail order men use regularly for quick testing. This type publication has short closing dates and the results of

### *Publication Advertising*

the test are known soon, usually four to five days after the ad appears. In the group are pre-date editions of some of the big city newspapers, rural weekly newspapers, and several monthly farm publications. (See Appendix.) According to some mail order people, a flop in these tests generally foreshadows failure for the product; a good pull, however, is a green light and full speed ahead in the regular media. Our counsel is to find out for yourself. We know of too many cases where the results were poor in these testing media, but elsewhere heartening. There are no guaranteed short cuts to testing.

### *Split-Run Testing*

Certain publications make available split-run testing facilities at a small extra charge. The advertiser submits two similar mats or plates of the same size but carrying different copy. The presses reproduce these ads in alternate copies of the paper but always in the same position. Thus, a newsdealer, getting a bundle of fifty, and examining each paper, would find that the top paper contained ad A, and next paper ad B, the third paper ad A, etc.

Even the beginner will immediately see the significance of the split-run to an advertiser. It enables him to test, under identical conditions, the effect of special offers, different selling prices, headlines, body copy or art work. Below are reproduced two actual tally sheets showing the results obtained by an advertiser seeking to determine the pulling power of two identical pieces of copy featuring different selling prices. Considering the cost of the merchandise, he found that the \$2.98 price was the more profitable.



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PUBLICATION										DATE Jan.										KEY NO. 291											
SPACE USED 100 lines										PRICE \$ 125 <sup>00</sup>										KIND OF AD. Split run 2.98											
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
JAN																				1	2	3	6	15	28	35	44	47	51		
FEB	66	60	41	46	67					68	69	70	71		74								76				77				
MAR	78																														
APR												83																			
MAY																													84		
JUNE					85																										
JULY																															88
AUG																															
SEPT																															
OCT																															
NOV																															
DEC																															

  

PUBLICATION										DATE Jan.										KEY NO. 291 A											
SPACE USED 100 lines										PRICE \$ 125 <sup>00</sup>										KIND OF AD. Split run 3.98											
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
JAN																							2	5	8	12	19	24	27	28	
FEB	35	38						39	41	42	44		45		46																
MAR	47																										49				
APR				51																											
MAY																															
JUNE																							52								
JULY																															
AUG																															
SEPT																															
OCT																															
NOV																															
DEC																															

### Type and Character of Circulation

This topic was touched on briefly before but it merits fuller treatment. While the selection of media according to sex is easily understood, there are other factors that may prove equally decisive, as one small mail order firm, not too long in the business, found out. They had just intro-

### *Publication Advertising*

duced a low-priced novelty men's sport jacket. Three men's media were selected for tests—a class magazine, a fraternal, and a group of detective books. When the final returns were in, the tally sheet showed that the fraternal and detective publications had paid out, but the class magazine was a flop. The higher advertising rate (per reader) of the magazine had been taken into account, but the returns were way below the other two media when based just on circulation, regardless of rates. The head of the firm did some deep thinking and finally came up with an explanation: the product was too "cheap" for the readers of the class magazine.

The firm very naturally repeated the advertisement in the next closing issue of both profitable media. This time only the detective magazines paid out; the fraternal just about broke even. Here the explanation had to come from an old timer. The circulation of the fraternal was all subscription, with very little turnover, whereas the detective books circulation was all newsstand, with perhaps a 50% turnover of readers each month. It was these, the new readers, that really put the ad over the second time.

Hank Bookman purchased a quantity of books on sex education for children at a close-out price. He chose the above-mentioned class magazine, a family-type magazine and a detective group. Only the class men's magazine was profitable. The readers of the other media apparently were not sophisticated enough to buy a sex education book for their children. This, despite the fact that they might have and indeed did buy a sex book for their own use, advertised in the same publications!

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These are some of the points to consider in appraising the character of a publication.

### *Position*

Every advertiser wants his ad displayed in the most prominent place. The more people who see it, the better chance for it to pay out. The front cover or page (in the case of a newspaper) would be an ideal position, but with the exception of a few trade magazines, publishers in this country do not sell this space. (In England such practice is the rule rather than the exception.)

The next best position is the back cover or page (if a newspaper). As a matter of fact, some advertisers claim that the back page is seen more often than the front; they point to the growing habit of many readers to begin from the end. There have been several studies made on the question but nothing to unseat the front page prominence has come from these surveys.

The back cover, being the preferred position, is naturally the most expensive. Usually the publishers require the advertiser to run color ads, further boosting the outlay. Very often the censorship for the back cover is more rigid than for the inside pages and only certain types of copy and art are accepted.

Next in order of preference come the third cover, second cover, and all pages in front of the book. The page facing the third cover is another choice position for mail order. There is disagreement on the value of the second cover, especially in the case of comic magazines. According to some authorities, the youngsters will not clip a coupon

### *Publication Advertising*

ad on the second cover because to do so would mutilate the front cover and reduce the trading or "swapping" value of the comic.

Cover and front positions usually require page ads, the smaller units being assigned inside and to the back of the publication. Experience has shown that next to a full page, the most desirable space is an island position, that is, being the only advertiser on a page otherwise taken by editorial (publication) reading matter.

Experienced mail order firms generally request that their smaller units (column, half-column, etc.) be placed on the outside of a page, and many will skip publications that repeatedly run their ads against the backbone or "gutter." This position is undoubtedly the poorest from a pulling standpoint and should be avoided, especially when running coupon copy. Several instances are known to the author where "gutter" positions cut the pull almost 80%, although 20% to 40% is probably average, with the greatest percentage drop occurring in the "fat" narrow-columned publications.

#### *Timing or Scheduling*

The seasonal nature of certain products is easily understood and even a neophyte will avoid obvious boners. It is not against selling ice to Eskimos that the novice must be cautioned but rather against many less apparent factors that somehow, inexplicably, turn a smooth-running operation topsy-turvy.

We saw earlier how one advertiser had to call upon the experience of an old-timer to explain the unexpected

### *Chapter Five*

behavior of a fraternal magazine. Proper timing might have made all the difference; in this case, there should have been a longer wait before repeating. Many mail order men find that this type publication requires such spacing and a wide berth in the summer besides.

Because of the long closing dates of certain publications, advertisers must be on guard against mistaking issue date for on-sale date. Thus, a publication carrying a September cover date may be circulated as early as July. The type of merchandise intended for September might not pull as well in July.

The substantial fluctuation in circulation between seasons is to be considered when timing ads. Actually this condition is very often decisive for many advertisers, and because of it, they are able to advertise profitably only during four or five months when circulations are at peak. The advertiser should appraise his pull in terms of the seasonal factor. Let us examine some illustrative figures.

Advertiser Jones estimates his pull from an ad placed in the February issue of PICTURE magazine at 400 orders. This will give him a 20% profit on the total operation. The space rep (salesman) for PICTURE calls about January 20th and suggests repeating the ad in May. Jones declines. "But you're doing fine, aren't you?" asks the rep.

"Yes, in this issue, but I examined PICTURE'S circulation chart for the last few years and found that May issues drop about 30% circulation from February. This reduced readership means, my experience has shown, about 100 to 135 less orders, which further means a loss of about

### *Publication Advertising*

30% on the operation instead of a profit of approximately 20%. Try me again for October."

If Jones' profit had been greater in February (that is, if he received 500 orders) the likelihood is that the ad would have been repeated in May.

These are examples of scheduling problems. There are many more, some requiring statistical analysis, which have a place in a more comprehensive work but not one intended for the beginner.

### *Backed-Up Coupon*

Mail order firms would prefer that no printed matter appear on the reverse side of their coupons, but unless willing to pay for the white space, the coupons will almost always be backed up either by editorial or advertising copy. Their pet peeve, however, is the publisher's practice of backing up a coupon with that of another advertiser. This occurrence is supposed to have a disastrous effect on the pull of both ads.

It is difficult to ascertain from those in the field what the facts actually are, because some of the smaller publishers will almost always make an adjustment in rate if the insertion order requested that the coupon not be backed by another. It is the writer's opinion that a backed coupon will affect the over-all results only slightly, if at all. Assume that a publication with a circulation of 500,000 has backed up the coupons of Advertisers A and B. Advertiser A, selling a book on automobile repair, requires 1000 orders to pay out. Advertiser B, selling a skin medication, needs 500

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orders. Even if Advertiser A gets his 1000 orders, there are still 499,000 readers with magazines carrying Advertiser B's coupon. Even if we assume that A's buyers are potential customers of B (which is unlikely) we note that B lost only 1/5 of 1% of the purchased circulation.

This topic has been discussed in detail, not from a desire to assist the publisher, but rather to disabuse the advertiser from the illusion that a backed-up coupon is responsible for poor pull, rather than the product, the medium, or the ad itself.

### *Contingent, Make-Good and P.I. or P.O. Agreements*

Small media owners (both publication and radio), will sometimes accept orders from advertisers on a contingency, make-good, P.I. or P.O. basis. In such a case, one of the following deals is usually meant:

- a. The advertiser will pay for the ad only if it proves profitable.
- b. The advertiser will pay only that fraction of the price of the ad at which a profit will be made.
- c. The publisher agrees to carry the copy gratis in future issues until a profit is made.
- d. The advertiser will pay only a certain sum (agreed beforehand) per inquiry (P.I.) or per order (P.O.) received.

The beginner who expects to get on through such deals will find meager pickings. In the long run, only the popularity of the product or service will assure success.

### *Method of Keying Ads*

Advertisers use various codes on the coupon to keep

### *Publication Advertising*

track of the number of orders obtained from each ad. Most popular is the "department" method.

Example: ABC Mail Order Co.

Dept. 219

Usually a two-digit number is assigned to a specific medium, as 12, 43, 89, etc. Other digits are added to indicate the issue. For example: 65 is the code number of FIGHTING WESTERN; the key for the June issue of FIGHTING WESTERN would then be Dept. 656 (the last digit—6—identifying June). October would be Dept. 6510.

When all the two-digit numbers have been assigned, a new set of two-digit numbers, prefixed by a letter, is frequently used, as Dept. A652.

The inventive beginner no doubt will be able to work out other keying methods.

### *Preparing and Placing the Ad*

Most mail order men use an agency in preparing and placing their advertising, and our counsel to the newcomer is to do likewise. (A more detailed discussion of the role of the agency will be found in Chapter VIII.) But whether you place the ads directly or through an agency, you should know certain elementary facts.

First and foremost, understand your product or service as no one else does. Sell yourself, and a thousand reasons will spring to mind why others should buy. The preparation of the ad then becomes a matter of putting on paper, in words and illustration, the reasons why people should send for your offering. If you are blessed both with the gifts



## *Chapter Five*

of language and drawing, then by all means try your hand at getting up the ad; but if you are like most of us mortals, the chances are you can do one or the other, and at that, not too well. Remember, \$10,000 is not an unusual salary for good copy writers, and in the larger agencies there are some \$15,000 and \$20,000-and-up men—there must be something to the copy writing art. The same applies to commercial art.

Since more people can write than draw, the likelihood is you will be needing an artist, and your local classified directory or newspaper will show you where to find one; together you can work out the ad. The practice is to do a rough layout first, and if that meets with approval, a comprehensive layout. Next step is to get the type set up (either by the publication or a commercial typesetter) and the finished drawing made. Now, depending on the requirement of the publication, an engraving of the whole unit is prepared, or the material assembled into a roto print.

Rate cards state the mechanical requirements of a publication, closing dates and other pertinent information. The serious mail order beginner can save himself money and headaches by consulting an elementary manual on the different printing processes. Unless the necessary technical knowledge is obtained, we again recommend that an agency prepare and place the ad.

# *How To Get Orders Through Direct Mail*

THE MOST FASCINATING PHASE of mail order, and sometimes the quickest and easiest way for a beginner to start, is selling directly by mail. A constant assault of direct mail advertising, offering everything from diaper services to grave plots and tombstones is directed at every American. This unceasing activity proves that direct mail pays, and the beginner is foregoing a lucrative medium if he persists in ignoring it.

The paraphernalia of direct mail advertising must be familiar to everyone. The average mailing piece, as it is called, consists of an outer envelope, a letter, circular, business reply envelope or card, and order blank which may be part of the circular or a separate unit. Some mailers also include testimonial matter, last-minute discount slips and warranties. Others omit the circular but make the letter longer, often three or four pages. But regardless of individual variation, their aim is similar—to make the recipient part with his money for anything from a worthwhile charity to speculative stocks.

## *Chapter Six*

### *Determining Lists*

While the receipt of advertising matter is old stuff to most people, the presence of the personal name on the envelope usually invokes wonder. A few will write to the company demanding, "Where and how did you get my name? I've never bought from you before." Some of the letters are not so mild. Even those who order the product in response to the advertising often suggest that they would appreciate greater haste in learning how the name was obtained than in getting the order.

### *Sources of Direct Mail Names*

The names are assembled from public records (vital statistics), newspapers, phone books, industrial and professional listings, classified directories, newspaper and magazine subscriptions, church and fraternal membership rolls, and from other mail order firms where a purchase was made or an inquiry sent.

Of most interest to the beginner is how to get a good list of likely prospects, and for once the way is smooth. The majority of lists on sale are registered with one or more of many national list brokers (see Appendix). A letter to any of these brokers, explaining your product or service, will bring you a response with a comprehensive description of the choice recommendation. A specimen of an actual list broker's offering card is reproduced—the list owner's name has been cancelled, but the information is correct.

Even names on public record are best obtained through brokers. They have the facilities to compile more thoroughly than an individual, and because they divide the

# Direct Mail

LIST POSTAGE TO: **LIST Owner** DATE **Jan**  
SHIP MATERIAL TO: **UNIT OF SALE #1, #2, #3, #4** PRODUCT **Books**

Year	ACTIVE BUYERS OR SUBSCRIBERS		FORMER BUYERS OR EXPIRES		INQUIRIES ( ) OR PROSPECTS ( )	
	Quantity	Rental & Addr.	Year	Quantity	Year	Rental & Addr.
1949	50 M	\$15 per M	1946	15 M	All years 50 M	5 per M
1948	45 M	15 "	1945	25 M	9 "	on gummed labels
1947	30 M	14 "	1944	50 M	8 "	

**Reduct \$2.50 per M if addressing is to be on labels**

List arranged geographically? ☒ Proportion of men? **70%** When was list last cleaned? **June 1949**

Rate per M for		List is on:		Sources of list: Direct Mail		Send material:	
Sort & Mail	Stamp	Stencils	( )	Publication ads	(15%)	Empty & Inserts	( )
Meter	Seal	Cards	( )	Radio	(85%)	Stuffed	( )
Affix Label		Labels	( )	Salesmen or agents	( )	Empty Envelopes or	( )
Insert		Labels - affixed	( )	Compilation	( )	Order Forms only	( )
Selection of Sex		shipped to you	( )				

This information is given to you in confidence  
We have made every effort to assure the accuracy of information concerning this list, but we cannot guarantee its accuracy or the outcome of the mailing.

352 FOURTH AVENUE  
New York 10, N.Y.  
**NAMES UNLIMITED**  
INCORPORATED  
ARTHUR MARTIN KATZ, President  
MURRAY HILL 6-2454-8

## *Chapter Six*

cost of compilation among regular subscribers, the price is very often considerably less than it would cost to compile directly. For example, the Jiffy Diaper Company wishes to circularize mothers who have just given birth. Such names are a matter of public record, obtainable in most counties, cities or states. The company undertakes the compilation but finds that the cost per thousand names runs to about \$25.00. This makes the mailing campaign a little more expensive than anticipated. They are about to give up when a "good soul" tells them that the names can be had through Broker A for \$15.00, enabling them to continue selling their infant pin-ups through the mail. Of course, Broker A can sell the list at the low price because he has ten, twenty, or more companies that want the same names for their own reasons.

### *Costs of the Mailer*

In Chapter III, we saw that to speak in an absolute way of costs in any part of mail order was meaningless; but experience does teach that, for safety sake, costs should be kept within certain limitations. In the case of direct mailing, especially for the beginner with limited capital, a maximum outlay per thousand mailing should be \$50.00 to \$60.00. The initial testing cost may be considerably more (because of higher promotion and material costs for smaller lots) but later mailings must be predicated on keeping to the aforementioned maximum. However, if the mailing is very elaborately prepared and the costs cannot be brought down to these figures, a high enough pull on the test may still make the venture "mailable."

### *Direct Mail*

Let us break down the maximum figures, remembering that the costs given are for large quantities and have been averaged out over the country. In very large quantities, a 15% cut can probably be realized.

#### *Direct Mail Costs Per M*

Stamps .....	\$20.00	(subject to Congressional change)
List .....	15.00	
Outer envelope . . .	5.00	
Business reply ____	3.00	
Letter 8½ x 11 _	5.00	
Circular .....	6.00	
Letter shop.....	6.00	
Miscellaneous . . . .	<u>1.00</u>	
	\$61.00	

The cost of preparing the mailer (art, copy, etc.) has not been included, as this should be spread over the entire future mailing and will not come to more than 50¢ per M, if there are large follow-ups.

The letter shop cost can be saved by doing the work oneself but this will not be feasible when the mailings get heavy.

#### *From the Idea to the Mail Bag*

Perhaps at this point the beginner is ready to be guided through the intricacies of a direct mail operation from the idea to the mail bag. We will assume that the necessary post office permits for bulk mailings have been obtained, and

## *Chapter Six*

that the outer and business reply envelopes have been ordered or are on hand.

We start with the idea, which in this case is a sewing machine attachment for hemstitching. From our previous discussion we know that a letter and circular are required. Can you write the letter? Try. Sit down and tell your imaginary customer why this particular attachment is different —tell her how it works, the wonderful things it will do, the ease of attaching, the low cost, the many more things she'll be able to make, the time she'll save for other duties, etc. Don't worry about literary ability. You can always find somebody to put on the few polishing touches or make the grammatical corrections. The important thing is to get your thoughts down on paper. Letter written, there is still the circular to do. Here the help of a commercial artist or photographer will be necessary. Surely your classified directory contains at least one who will do the job inexpensively. Remember, too, that most advertising agencies will also prepare such a mailing piece for a fee.

Now that copy for the letter and the circular material are ready, take them to a printer and tell him what you want. In most cases, aside from proofing, you will have nothing more to do but to wait until the printed matter is delivered to you, folded and ready for inserting. During this waiting period, write to a number of list brokers and study their suggestions. Let us assume that you want five lists, each for a 1000-test mailing. Here are the lists recommended:

### *Direct Mail*

50 M	Buyers of a competitor's attachment
100 M	Recent buyers of a new sewing machine
130 M	Subscribers to a special sewing magazine
40 M	Buyers of a book on hemstitching
150 M	Buyers of remnants

Having decided to test all the lists, you assign codes by imprinting on each of the 1000 business reply envelopes a certain key or department number, or having the printer put it on the order form which was part of the circular. See Chapter V for the mechanics of keying with code or department numbers. Then you send the outer envelopes to be addressed as instructed on the broker's card. In due time the addressed outer envelopes and the printed matter will arrive. The next step is to insert the material, seal and stamp the envelopes according to postal regulations, and bring them to the local post office, properly tied and zoned.

About five to eight days after the mailing, the orders should begin to come in. The chapter on predicting pull will enable you to determine the eventual total of orders likely to be received only a few days after the first order appears.

### *Split-Run Testing*

This is similar to publication split-run testing (discussed in Chapter V), except that here the list is split in



## *Chapter Six*

two, and different offers are sent to the same type prospect. The safest method, and one least likely to produce geographical variations, is to split the list in the process of addressing by placing alternate names in different boxes. Of course, both tests should be placed in the mail the same day.

# *How To Get Orders Through Radio and Television*

A MAIL ORDER ITEM MAY BE tested on radio with almost no planning on the part of the beginner. Most of the smaller stations are eager to cooperate with the advertiser and will prepare the script or spot announcements, receive and forward the mail for the regular rate. Time can also be purchased on the cooperative programs (i.e. disc jockeys, radio personalities, etc.). They are permitted wider latitude because of their following, and sometimes put over an item that otherwise would be a dud. Time can be purchased directly or through any advertising agency.

A word of warning is required at this point. Results from radio mail order advertising have been mixed. Fantastic successes have been achieved, but there are instances, known to the author, where spot announcements, running for weeks, failed to produce a single order. In general, mail order firms with retail outlets have a better chance on radio.

The same factors that influence the selection of publication media and lists hold for radio time. Late morning

## *Chapter Seven*

and early afternoon audiences are composed principally of women. Early morning seems to be a time for men, and late afternoon and early evening, for children. Evening listeners are mixed; each program draws its particular audience.

### *Television*

The newest medium available to advertisers is television. Phenomenal results have been obtained with mail order offers, and several of the largest publishers have been able to sell out titles that were ready to go as remainders. It is doubtful whether this boom will continue indefinitely. Experience would indicate a slackening off in responses as the number of mail order offers increases, the profits going to those with the best programs and offers.

# *How To Prepare A Mail Order Ad*

THE FUNCTION OF ALL COMMERCIAL advertising is to sell. Mail order copy, unlike institutional, leaves little doubt in the mind of the reader as to when it wants the sale made.

*Order Now!*

*Send Coupon Today!*

*Act Now!* These are the familiar calls to action of every mail order ad.

To get this instant response, mail order people incorporate in their copy certain basic appeals, such as vanity, sex (love, romance), self-improvement, health, profit. There are, of course, many other appeals—as religion, security, fear, or convenience—but an examination of most of the specialty mail order ads discloses that all use at least one or more of the basic appeals.

*The Health Appeal*

*Feel Better, Stop Aching Back, Relieve Rheumatism, Don't Let Rupture Cripple You, No Need To Get Up Nights, Why Be Deaf?*—these are headlines using the health

## *Chapter Eight*

appeal. Obviously the specific caption is determined by the product.

In recent years, advertisers using the health appeal have found direct mail not as profitable as publication advertising. Although no studies to explain this change have been made, the opinion hazarded here is that the public has become wary of such products. In publication ads, the confidence and good will established by the publication neutralizes skepticism to some extent. Occasionally, the inclusion of reprints from publication advertising will put over a health product by direct mail; the reason, apparently, is faith in the reputation of the publication.

### *The Self-Improvement Appeal*

Correspondence schools, specialized courses, publishers of "How To —" books, use this appeal with the familiar slogans: *Become a Detective*, *Become a Hotel Executive*, *Become a Fingerprint Expert*, *Become a Writer*, *Get Into Television*, *Become a Linguist*, *Get a High School Diploma in Two Years*. These slogans have been staring back at magazine readers for a long time. Their popularity through the years demonstrates the intense desire of people to better themselves. Observe that the appeal is not necessarily to improved earning capacity, but rather to the satisfaction of raising oneself to a higher level of work. The government clerk, turned writer as a result of taking a course, may never attain the financial security of civil service, but the gratification of being a writer may mean more to him.

### *The Vanity Appeal*

A survey of mail order copy would probably place this

### *The Advertisement*

appeal near the top of the list in frequency of use. Exists the short man who has not, at one time or another, been moved by temptation to be "taller than she"? Exists the woman who does not want to "look younger" or have a "slimmer figure"? Our sympathy goes to the adolescent who sends for a medication that will help him "stop being ashamed of pimply skin." No one likes to be called "Baldy," or else how account for the popularity of hair-saving remedies?

### *The Profit Appeal*

*Win \$50,000 Solving Easy Picture Puzzle! Extra Cash for Showing Greeting Cards to Friends, Buy Direct From Manufacturer and Save 50%.* These headings incorporate the profit appeal.

### *Sex, Love, Romance*

*Now Win His Love, Romance Can Be Yours, Don't Be a Wallflower, Be More Attractive to Men.* For more examples of this appeal, look at the ads of hand lotions, face soaps, cosmetics, perfumes, Hollywood movies, charm courses, marriage manuals.

Many firms vary their appeals, according to the medium used. A hair dye may stress vanity and romance in a women's publication, and in a men's, security (pulling the wool over the eyes of the boss who always gets rid of the workhorse at the first gray hair).

The manufacturer of a household gadget may stress profit (saving in cheaper price) and self-improvement (offering an agency to the buyer of the product). Height increasers, skin and hair preparations, etc. may and often do

## *Chapter Eight*

stress vanity and romance in the same advertisement. An insurance company will incorporate security (retirement), profit (savings in lower premium), and convenience (shop by mail—no fuss, no examination).

### *Qualities of a Good Mail Order Ad*

Despite this heading, there is really no such thing as a good ad, judged merely by appearance, layout or art work. The merits are decided by pull. Unfortunately the most attractive, best prepared ad is frequently out-pulled by a so-called "inferior" one. The writer is personally familiar with several such instances.

A small but well established specialty mail order company had been using the same layout and copy for about five years with good results. Finally the head of the firm grew tired of seeing the ad and the agency agreed it was time to change. A new ad was prepared. The finished product was beautiful; everyone was proud of it. The agency framed the first print and displayed it on the wall of its reception room; there were no adverse critical opinions—only congratulations. Confidence extended to scheduling substantial space without first testing. The only element of uncertainty was the size of the "greater" pull. Came Judgment Day and the verdict—FLOP. Imagine the chagrin of the agency at the sudden drop of the firm's bank balance! (or are agencies ever embarrassed?)

That did not end the matter—failure makes people stubborn. Countless reasons for the debacle were found—timing, slump in buying, etc. etc. To put an end to these speculations, a split-run test, using the old unit against the

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new, was made in a publication offering such testing facilities. The result was again failure for the new ad.

#### *Even "Crude" Copy May Pull*

Recently, a firm introduced a new product with a strong vanity appeal. Whether out of whimsy, sheer cussedness, intuition or shrewd business sense, the manager of the firm directed that layout, copy, and art be "crude."

"I want it to look as if an amateur had prepared it," he insisted. "Skip the professional touches. The reader should be 'stopped in his tracks' if only for a laugh."

"That's exactly what we'll get—laughs—not orders," cried his associates.

As usual in such cases, the one who signs the checks gets his way; the ad was prepared as directed. Results of the tests vindicated the manager, a substantial schedule was prepared, insertion orders went out and then—complications! A number of magazines and weekly supplements refused to take the ad.

"Undignified," they said, "bad for the publication. Give us copy in keeping with the character of the publication and we'll be glad to run it. Mind you, we think the product is swell and the claims unusually mild for mail order, but the contrast between the rest of the matter in our books and this ad is too severe. Sorry."

It seemed a shame to give up so easily. After a few attempts, a compromise was worked out; new, high-priced, professional-looking art and copy were submitted and accepted. Results? Marginal; in any case, poor enough to leave no regrets over having to omit the "choosy" media.



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### *Pull Determines Quality*

The point has been made, we think. Pull will determine the quality of your ad and nothing else—experts to the contrary. Is there then no way to know in advance? Not with certainty. There are, however, some tried and tested formulae that every mail order ad should incorporate. These we will discuss in theory and practice.

But first it should be stated that there are few original ideas in advertising; in fact, it is a highly imitative profession. Lacking the gift of originality, are you to be blamed if your ad is modelled after a successful one, assuming the products are related? You can recognize the successful ad by repetition—generally it is the one repeated most often. Don't think this is cynicism. Look at the automobiles, at the fashions! Somebody sets the vogue and the others soon follow. In the final analysis, business is not art, literature, or music. Also, "to model after" does not mean to duplicate exactly; remember, copyright laws protect against plagiarism.

Before undertaking the analysis of a specific ad, a point made in an earlier chapter deserves repetition. No product or service can long endure if it lacks the all-important ingredient—mass appeal; that is, the capacity to satisfy the needs, desires or ambitions of large numbers of people. Make sure, in your own mind at least, that what you contemplate selling has this quality.

### *An Advertisement Dissected*

And now to the dissection room! The reader must resign himself to a running account as if outside the room,

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because the "corpus delicti" (the actual ad) cannot be reproduced here.

Ladies and gentlemen, we see here a beautiful advertisement, handsome enough to grace the pages of our swankiest fashion magazines, the kind the reader glances at and then turns to the next page, the thought never occurring that such an ad could conceivably lower itself to making a sales pitch. But this is a dissection room; so we will proceed to examine the parts.

First, the headline. Now where is it? Oh yes, here it is—very dignified type style, size about 14 point. Nothing wrong, except that this is a mail order ad which should cry for attention. The headline copy is all right except that the claim is considerably toned down by the size and character of the type—a sort of whispered call to action—hesitant, unsure, and by its meekness, transferring that feeling to the reader.

Now we come to the sub-caption, paragraph heads, and body copy. Very neat, clean specimens—but where is the urgency? the punch lines? Not here! Let us get down to where the free trial offer and coupon are supposed to be. Yes, we see them, but not set off—no reverses, no arrows, no special spots. The free examination offer is in small 10 point type and the coupon more suitable for a half-column than a full page. Obviously the person responsible had an inferiority complex about mail order ads. Our verdict: a defective specimen.

#### *Essentials of a Mail Order Ad*

1. *The Headline.* Tell what your product will do in

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as few words as possible. Use words such as *Now, Amazing, At Last, New, Quick, Instantly, At Once, Really, Free, Why, Don't, You, Save, Price* (when low) etc. Here are likely headlines for different products:

Scalp medicine:

*New Formula Stops Head Itch Instantly!*

or

*Amazing (name of product) Stops*

*Head Itch Instantly! Tie-Rack:*

*Amazing Rack Holds up to 75 Ties!*

or

*98¢ Rack Holds up to 75 Ties!*

Book on Home Carpentry:

*It's Easy To Build a Playroom!*

Or

*Now Anyone Can Build a Playroom!*

or

*Save 80% on New Bookshelves!*

Home-Made Preserves:

*Now Taste Mother Boles' Jellies Free!*

or

*My Home-Made Jams Sent Free!*

Blemish Covering:

*Blemishes Disappear From View Instantly!*

or

*Now Skin Sores Vanish Instantly!*

or

*Why Be Ashamed of Ugly Blemishes?*

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2. *Sub-Caption.* The function of the sub-caption, when it is used, is to expand the headline and introduce new selling points. The very small ad generally omits the sub-caption and gets right into the body copy. A sub-caption for the tie-rack might read: *Easy to attach, folds away, made of stainless steel.* For the home-made preserves: *Sent directly from the kitchen.*

3. *Body Copy.* There are several ways of getting your sales message across in body copy. Probably the simplest is to give, in descending order, the most important sales points of the service or product. Another method is to stress certain subsidiary selling points of the item—to be set off in a box, by a bullet or some special design in the layout.

4. *Testimonials.* Naturally, bona fide testimonials can not be included until they are received. The large companies can afford to pay for them in advance and have them ready for the first ads. There is no reason why a beginner cannot give out free samples to friends and neighbors, requesting honest opinions, and when favorable, a written note. These can then be incorporated into the advertising matter.

5. *Special Inducements—Free Offers.* If another product is given away with the purchase of the main offering, it should appear prominently. It is worth either a decent display or none at all. Mail order ads usually conclude with such captions as:

*Try (5-10-20) Days Free!*  
*Send No Money!*

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*Order on Approval!*

*Risk Nothing!*

*Send Coupon Today!*

*Purchase Price Refunded If Not Satisfied!*

(Note that only the *purchase price* is refunded and not C.O.D. and postage charges. This is very important. *FULL Refund If Not Satisfied* generally includes other charges.)

6. *Coupon*, Coupons are usually omitted in space less than 56 lines, but there is no hard-and-fast rule. Examination of magazines will show that even units as small as 21 lines (an inch and a half) sometimes attach a coupon. On the other hand, there are successful mail order operators using large space who omit coupons. This is usually done in reading copy ads (made to simulate editorial matter); however, many magazines do not accept this type of advertisement.

The coupon should be in proportion to the size of the ad. A large space unit should have a good sized order coupon, leaving plenty of room for the customer to write all the information requested by the advertiser. One regular mail order buyer put it this way: "When the coupon is so small that I can't squeeze in my name and address, I just don't bother, but figure there will be a similar ad further along in the magazine."

7. *C.O.D. vs. Cash*. Most mail order people give the customer the option of buying either C.O.D. or cash. In the former case, the customer usually pays the C.O.D. fee and postal charges upon delivery. As an inducement to send

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cash with the order, the customer is promised that the merchandise will be sent postage prepaid. There are several successful operators who sell for cash only; but it has been the experience of this writer that omitting the C.O.D. offer substantially reduces the number of orders. It is worth the extra work that C.O.D. shipping entails, and even the expense of the normal percentage of C.O.D. refusals, to get the full quota of responses on a product offering the cash and C.O.D. option. Split-run tally sheets in the possession of the writer show that the difference in pull between a C.O.D. and a strictly cash offering is at least 30%. Actually the ads with the C.O.D. option produced a 15% greater net profit than the others.

### *The Role of the Advertising Agency*

Frequently throughout the book, it has been recommended that the beginner who seriously intends to break into mail order should obtain the services of an advertising agency. A brief discussion of the role of the agency is now in order.

An advertising agency, sometimes referred to as the "voice of business," is an organization of men who either by experience or professional training, have the necessary "know-how" to present the client's sales message effectively to the public. Their services include writing copy or radio script, preparing layout, purchasing art, selecting the media, and ordering the paraphernalia (plates, repros, mats, etc.) required to reproduce the advertising. They issue the actual insertion orders and are held accountable for payment by the publishers. Unless the advertiser supplies nec-

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essary credit references or submits a certified financial statement, cash with order will probably be requested.

The agency charges the client only for the actual cost of the materials or services purchased from the tradesmen (typesetters, engravers, etc.) but usually adds a 15% service fee to the invoices. The bulk of the agency income comes from the 15% allowed by the various media as a commission for placing the advertising. This 15% does not increase the cost of the ad, because the advertiser, placing his ad directly, would still pay the same amount that the agency bills him. Some of the large agencies require that certain minimum monthly expenditures for advertising be made, or in lieu of this, a monthly retainer fee. The beginner should have no trouble finding a good agency that will be willing to work without these stipulations, especially if the product has large sales potentialities with corresponding advertising expenditures.

### *How To Select a Good Agency*

It is not easy, especially for a beginner, to select a good agency. The practice of giving agencies by-lines in the ads seems to have died out. Here are some suggestions:

Select a mail order ad or mailing piece that strikes you as very effective. Write to the publication or to the advertiser for the name of the agency. Be sure to enclose a self-addressed envelope. Even if this particular agency is not ready to serve you, it probably will suggest one more appropriate for your needs. A trip to a local newspaper will also bring recommendations. The Standard Advertising Register (available at any newspaper office) lists most of the

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agencies and their accounts; however, our feeling is that if your product has merit, the right agency will eventually find you. The agencies are always looking for new business and the odds are at least fifty to one in your favor that having placed your first ad (either directly or through another agency) several solicitations for your business will reach you from other mail order agencies. Usually they send along a list of their clients and samples of advertising they prepared. You have only to compare and choose.



# *How To Ship Your Orders*

ONCE THE ORDERS BEGIN coming, it is important that they be filled and shipped without delay. A good policy is to get the order on the way to the customer within 24 to 48 hours. Delay in shipping brings complaints, cancellations, and in the case of C.O.D.'s, a rise in the refusal rate. Some refusals are unavoidable, and in calculating original costs, this was considered; however, an unreasonable delay in shipping doubles or triples the refusal rate. A promotion that is marginal or that produces only a modest profit can easily be wiped out by too many refusals.

The loss of a customer is only part of the penalty for tardy shipments. For C.O.D. orders, the mailer advances the postage and C.O.D. fees which the customer pays for when accepting the package. When the package is refused, however, the mailer loses these advanced fees and must still pay for the return of the package.

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### *Prepaid Orders*

The customer, who was good enough to send his remittance with the order, generally does not refuse the parcel, but may cancel if the delay is too long, or even if he accepts the order, the loss of good will may make him a one-timer rather than a repeat customer. He still has the option to return the merchandise for a full refund. The curt note, "I am returning the order. It came too late. Please refund," is quite familiar to mail order people. The obvious moral is: get your order out quickly.

### *The Mechanics of Shipping the Order*

The cheapest method of shipping most small parcels is through the U.S. Post Office. If the item is large or heavy (post office has size and weight restrictions) it may be necessary to use Railway Express, motor truck, or steamer. Take your wrapped parcel to the post office and ascertain that it is mailable as wrapped. Compare mailing costs with those of Railway Express and then decide. Sometimes the difference is very small, and the fact that Railway Express picks up, may determine your choice.

Here we will concern ourselves only with third class and parcel post shipping, as it is probably the medium most of the readers of the book will use. No specific rates will be discussed because the periodic changes would quickly date the information. At present, most mailing packages fall into three groups and each will be discussed separately.

*4th Class Matter (over 8 ounces).* This classification covers parcels of over 8 ounces. Rates are determined by weight and destination, or in post office language, by zone

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—the farther the destination, the higher the charge. The post office from which you will ship has a zone chart which gives rates for the whole country.

From a zoning point of view, the ideal location for a mail order business would be somewhere in the middle of the United States. If the volume is large, substantial savings would be made with Illinois as the point of origin rather than New York or California.

Merchandise shipped under this classification requires the following indicia imprinted on a sealed parcel: *Contents: Merchandise. Postmaster: This parcel may be opened for postal inspection if necessary.* If you want the parcel returned when not delivered after a certain number of days, it is necessary also to imprint the following: *// not delivered in . . . days please return to sender. Return postage guaranteed.*

*3rd Class Matter for Parcels 8 Ounces or Under.* This is a wonderful classification for mailers selling items weighing 8 ounces or less when completely wrapped for shipping. Under present rules, only the weight determines the amount of postage, not the destination. The 3rd class rates have been very low and the likelihood is that, comparatively speaking, they will remain so in the foreseeable future. No tedious zoning is required and it is the easiest mailing method available. Mailers who find that their parcels are slightly over 8 ounces can save considerable money and work by changing the packaging. Sometimes a change from box wrapping to paper or envelope will be enough to bring the package down to the 8 ounce maximum requirement. Packages shipped under this classification require the

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following imprint: *Contents: 3rd class matter. Postmaster: This parcel may be opened for postal inspection if necessary. If not delivered in ... days, please return to sender. Return postage guaranteed.*

*Book Rate.* This classification covers books as defined by the post office. Because of the ever-changing postal regulations, it is important that you take the publication to your postmaster and have him determine whether it is a book, printed matter or parcel post (regular 4th class matter). Assuming that your publication is a book by post office standards, then the postal rates will be determined by the weight only and not by destination (similar to 3rd class).

Parcels containing books require the following indicia (usually placed below the return address): *Contents: Book, Postmaster: This parcel may be opened for postal inspection if necessary. If not delivered in . . . days please return to sender. Return postage guaranteed.*

### *Shipping Prepaid Orders*

Preparing parcels for the post office where full remittance was received with the order is extremely simple. If the parcel is tied with string (not sealed) merely write the customer's name in a prominent place and your own in the left hand upper corner, bring it to the post office for weighing, attach the proper postage, and the package is on its way.

If the parcel is sealed, it will be necessary to have a printed label with the indicia shown above. Such stock labels may be purchased in any stationery store and all that is required is to fill in the shipper's and the customer's name.

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The practice of most mail order firms is not to insure prepaid orders unless they are very expensive. The post office has a pretty good record for deliveries and insurance saved on the delivered packages more than pays for the very rare lost one. Of course, in case of a lost package, it is necessary to fill the customer's order again. Usually this is done after the customer has signed an official post office tracer (that either he or you made out) stating that the parcel was not received.

### *Shipping C.O.D. Orders*

The post office supplies free all the forms you will need to ship C.O.D. orders. Your first step is to take a trip to your local post office and have a series of C.O.D. numbers assigned for your own use. In the beginning, the series will probably be small, but as your volume increases, more numbers may be obtained upon request. Repeat the series over and over again as it is used up. A C.O.D. parcel must contain the following information on the package proper:

Your name and address  
Customer's name and address  
The amount due sender (you)  
The money order fee (the charge made  
by the post office for filling out the  
customer's money order) The  
C.O.D. fee

This same information is repeated on a C.O.D. card (supplied by the post office) which is tied or pasted to the package. All the C.O.D. parcels of the same shipment have

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to be recorded on a C.O.D. manifold (also supplied by the post office) in duplicate. The post office will check off your shipments on the manifold and return one copy, receipted, for your record.

As the business prospers, you will want streamlined C.O.D. systems to speed your shipping room work. The post office has sanctioned pre-printed labels which may be typed in quadruplicate, and serve both as labels and manifolds. These forms must be obtained from commercial printers. A specimen of a time-saving pre-printed C.O.D. form is given below:

<small>CONTENTS-MERCHANDISE. Postmaster: This parcel may be opened for postal inspection if necessary.</small> <b>STRAVON PUBLISHERS</b>		<b>C.O.D. Charges</b>		<b>M. O. FEE</b>
		\$ 1	20	CENTS 6
<small>Return and forwarding postage guaranteed. Postmaster: If not delivered in 20 days return to us.</small>				
<b>No 3569360</b>				
<b>POSTAGE EXCLUSIVE OF FEE</b>	4	<b>C.O.D. FEE</b>	15¢	

### *Special Packaging and Marking*

Playing safe pays off in packaging. Before making any extensive purchases, take a sample-wrapped order to your post office for approval. This is especially important in shipping fragile merchandise. Remember, too, that certain merchandise is better received in a plain, unmarked wrapper. Your customer may be shy about having ordered a snuff box and does not want the fact advertised on the outside wrapper. A little thought, and the issue of plain or marked wrapper should not be too difficult to decide.

In about three to fifteen days, depending on the des-

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tion, you should begin getting back from the post office the money collected in your behalf. These payments are in the form of money orders made out to your favor and may be cashed at the post office or deposited in your bank like any check. Before cashing or depositing the money orders, it is well to stamp on the C.O.D. manifold form the date that you received payment for each particular shipment.

About thirty days after shipping, a check should be made of the manifold sheet to ascertain that you received a money order or a returned package for every item listed on the sheet. Tracers (form 1510) should be sent out after "open" items. As C.O.D.'s are automatically insured, the post office will reimburse you for the face value of any package that it lost or for any money, collected for you, which you did not receive.

### *Waiving Tracers*

Many mail order firms are not aware that the post office, in exchange for waiving the right to make tracers for lost C.O.D. parcels, will allow them to mail C.O.D. parcels without the necessity of submitting C.O.D. manifolds. The convenience to the mailer is not evident at first sight, but in practice very substantial savings can be realized if it is possible to waive tracers.

Here is what this meant, in dollars and cents, to a mailer who averaged about 1,000 C.O.D. parcels a week. Upon becoming aware of this post office ruling, inventory was taken of the number of tracers sent out for supposedly lost parcels or unrecovered money orders. It was found that about 1,000 tracers were filed annually but in only 43 cases

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did the post office reimburse the company; the balance of 957 tracers was accounted for either as premature tracers (packages actually delivered or crossed in the mails), errors in recording returned money orders or parcels, and parcels that would have shown up eventually in any case.

The total received back from the post office was \$150, but by waiving the tracer right, the firm found it could dispense with two manifold forms (the original and duplicate) at \$6 per M set. This meant an annual saving of \$300 just on forms. Abandoning the work of keeping these records, the extra shipping routine, and the futile labor expended on tracers, also resulted in a saving in wages of about \$1,500, or a total annual saving of \$1,800, less the \$150 lost because of the waiver, leaving a net of \$1,650. (The waiver did not include those cases where the post office had already collected the money from the customer but had not sent it on to the firm.)

To put this practice into effect, a short letter on firm stationery, addressed to the postmaster, stating the willingness to waive the tracer right in exchange for the post office's waiving the manifold rule, usually gets action within a week. (Final approval in each case comes from Washington.)

There are some disadvantages to this system that will become apparent when the business grows and detail is a problem; but then the shipper will better be able to evaluate the merits and demerits of C.O.D. manifolds.

### *Refunds*

To establish reliability, send out refund checks (or



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money orders) promptly. Delay will bring complaints from customers and investigation from the governmental agencies. Do not be too technical—your offer may have provided for 10-day examination, but the customer took 30 days. It is natural to wish to punish the abuse and refuse a refund, but we don't think the swarm of letters and investigation are worth it. In the end, someone (perhaps the post office inspector) will suggest that as a favor to him, you make the refund. Do not send cash (currency) unless insured.

#### *Exchanges*

The same rule of promptness applies to exchanges. If the exchange cannot be made, a refund should be given.

# *How To Keep Mail Order Records*

NO LEGITIMATE BUSINESS TO-day can run smoothly without records. The increasing number of reports required by various governmental bodies makes records almost mandatory. In the case of mail order, there are certain special records, not required by official agencies, that should be kept; these are records of the pull from individual media (advertising tally sheets) and customer lists.

Tally sheets designed for mail order are obtained at large stationery stores. Many advertising agencies distribute these forms as a service to their clients. However, the beginner with limited funds can use graph paper or hand-ruled forms that will be adequate. A tally sheet easily prepared on graph paper is shown on the next page.

Most mail order men record the orders received cumulatively, but this is a matter of personal preference. We will assume that on Publication A, key no. 101, the first 5 orders were received on Oct. 20th, 3 on the 21st, 8 on the 22nd, 9 on the 23rd, 6 on the 24th; the 25th and 26th being the weekend, no mail was received; on the 27th, 33 orders

Chapter Ten arrived. The tally sheet would then present this picture:

PUBLICATION		Publication A										DATE		Oct.										REV. NO.		101									
SPACE USED		Page										PRICE \$		800										KIND OF AD.		#498									
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1				
JAN.																																			
FEB.																																			
MAR.																																			
APR.																																			
MAY																																			
JUNE																																			
JULY																																			
AUG.																																			
SEPT.																																			
OCT.																																			
NOV.																																			
DEC.																																			

Note that the first entry was made on the October line under the 20 column, and that no entries were made for the 25th and 26th (the weekend). The tally is continued this way until the orders begin "petering out." Most firms run the tally on at least 5 or 6 months and then throw whatever still comes in under a general heading of "old keys."

In the above specimen, entries are recorded in the January and February columns, representing a continuation of the pull beyond December 31st. A separate page may be used if desired, but the advantage of seeing the whole picture at a glance is evident.

The heading on the sheet is for a publication, but the same form can be used for direct mail or radio-television. Merely insert the proper medium in the publication place, and the quantity of pieces mailed in the space-used line.

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The date becomes the mailing date rather than the issue date, and the price can be the total cost of the mailing or the per thousand cost.

Other information that may be carried at the bottom or on the back of the sheet is the number of C.O.D. refusals, refunds, unsolicited re-orders and a profit and loss statement for the particular promotion. Here is an example:

COSTS		INCOME	
Advertising .	\$310.00	350 orders @ \$3.00 .	\$1,050.00
Merchandise	330.00	21 re-orders @ \$3.00	63.00
Overhead . .	50.00	Total .....	\$1,113.00
Postage and		Less 18 refunds	
handling .	35.00	@ \$3.00 .....	54.00
	\$725.00	Less 20 C.O.D.	\$1,059.00
		refusals @ 3.30	66.00
			\$ 993.00
GROSS INCOME : ..		\$993.00	
COSTS .....		725.00	
PROFIT . . .		\$268.00	

To the profit figure may be added the potential income from the sale of the names and from follow-up mailings which, experience has shown, will accrue to you over the years.

### *Customer Lists*

The reasons for maintaining customer lists should be obvious to anyone reading this far. We will discuss only

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the simplest way of doing this. Merely attach, with paste or staples, the coupon to the original envelope the order came in; put all the other pertinent information on the side or back of the envelope. Type or write the shipping label and fill the order right from this envelope. File the envelope in a folder or corrugated box, arranged alphabetically by states.

The two big advantages of this system for the beginner are elimination of considerable paper work and accessibility of the original order, including the outer envelope showing the sender's postmark. Unfortunately, people do forget, by the time the parcel arrives, that they ordered something about a week or ten days ago, and demonstrate their ire and annoyance by writing to the postmaster, district attorney or better business bureaus about receiving merchandise not ordered. Sometimes a "friend" orders the stuff sent as a practical joke, naturally C.O.D. There follow "polite" notes from the post office, etc., requesting proof (i.e. the original correspondence) that complainant ordered the merchandise or service in question. What a relief for the newcomer to be able to supply the evidence!

This system has shortcomings. The records become bulky. The addresses fade and become illegible, especially the pencilled ones. Some firms type the names and order data on 3x5 index cards and file them in metal or wooden floor cabinets available at any office supply store. As the business prospers and the lists are used more frequently, it may be profitable to place the names on permanent stencils or metal plates. This decision should be made only after a careful analysis of the costs.

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### *Cleaning Lists*

Customer lists should be "cleaned" regularly. This trade designation means the removal of all undeliverable names from the active file. Usually, "cleaning" is done after a mailing to the list, with all mail returned by the post office ("nixies") as undeliverable for a variety of reasons such as:

Moved, left no address  
Deceased Refused mail  
Left employ—no forwarding address  
etc. etc.

Maintaining a "clean" list not only saves the postage and work of futile mailings but can actually mean the difference between a profitable and losing promotion. A list "uncleaned" for two years may contain up to 20% undeliverables and kill a weak offering. Let us examine an actual case known to the writer.

Firm A's product fell into the one-time sales category and it was unable to find a suitable follow-up product. It did manage to get additional income from the names through sales of the list to other users. As is customary, the companies would turn the "nixies" back to Company A, but the latter became negligent about "cleaning" the files.

About two years later, Company A obtained a product that seemed a natural for its list. Because it was a "house" list and large (about 120,000), a 10,000 test was decided upon. The results were marginal, leaving further mailing

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in doubt. An examination of the tally page showed the following:

COSTS		INCOME	
Cost of mailing		400 net orders received	
10 M @ \$50.00	500.00	@ \$3.00	
Merchandise . . .	500.00		
Overhead, ship		\$1,200.00	
ping, postage,		INCOME .....	\$1,200.00
etc .....	150.00	COSTS .....	1,150.00
TOTAL .....	\$1,150.00	PROFIT .....	\$ 50.00

The profit figure was, of course, inadequate for the investment and discouraged mailing to the balance of the list.

A careful analysis, taking into account the knowledge that at least 20%—2,000 of the 10,000 mailing—were undeliverables, would have shown that the promotion was really successful but for the waste of \$100.00 (for 2,000 undeliverables). Had the list been "cleaned," the pull for each 10,000 probably would have increased to 500 orders (because the pull of 400 was really for only 8,000) putting the profit figure at \$187.50 per 10,000 and an estimated profit for the total list at \$1,875.00.

### *Business Records*

The ordinary business records should naturally be kept. Low-cost accounting services are available everywhere, with fees often less than \$5.00 per month. It is suggested that, price permitting, such a service be obtained.

# *How To Predict the Orders An Ad Will Bring*

"NEWCOMER" ADAMS' FIRST column insertion has been pulling about 20 days when the salesman for the publication calls for a repeat order in the next closing issue, deadline for which is the next day.

"Sorry, Bill, the ad doesn't look good. I need 150 orders but the tally sheet shows only 50. I just don't know how many more will come in."

"But you're missing the biggest issue of the year," says Bill. "The publisher promises a 30% circulation bonus without a rate increase. By the way, that 50-order figure doesn't sound bad. Let me call Jim Casey who's had a lot of experience with the way our magazine pulls, and get his views on the expected total of your ad."

About an hour later, Bill is back on the phone.

"I've got good news, Mr. Adams, that column of yours should pull 125 to 150 orders. Casey says so, and he's got dozens of records to prove it."

Adams repeats the insertion, and by the time it starts to pull, Casey's prediction for the first column is coming true.



## *Chapter Eleven*

Al Goodman, who runs a drug store, decides to take a flier in mail order with a dandruff medicine. Through a list broker, he tests names of buyers of a similar product. When the test has been pulling eight days, the broker calls and informs Al that the list owner will not accept any more orders from competitors during the next three months, as a "house" mailing is being planned on the list. Orders in by the end of the week (today) will be honored, however.

Al's dilemma is not unlike Adams'. "I'd like to use the balance of that 75 M names," he tells the broker, "but up to the minute, 70 orders have come in. At least 100 are needed to . . ."

The list broker cuts in. "Mr. Goodman, my suggestion is to sign up for the balance of the list at once. There's a pile of money waiting for you. The 100 orders you are praying for is going to turn out to be a whopping 150."

These two incidents based on actual cases highlight the importance of pull prediction. Neither the broker nor Casey were fortune tellers, but careful and diligent entries on the tally sheet (discussed in Chapter X) produced a statistical picture of media behavior, which experience confirmed as a dependable guide in predicting pull. (Only a world debacle affecting national life, such as a declaration of war, would temporarily upset the picture. Tally sheets in the writer's possession show a drop of 50% to 80% in pull during the 60 days following Pearl Harbor.)

Let us see if we cannot work out the rule Casey and the list broker used to anticipate the final pull for the two operations. Below are reproduced actual mail order tally sheets for different types of media (names blocked out):

### Predicting Pull

#### Monthly Publication—Men's—80% to 100% Newsstand Circulation

The first entry is on October 25th for 6 orders, and the last on March 11th—the cumulative total, 201. This par-

SPACE USED $\frac{1}{2}$ page																																		PRICE \$ 305.00		KIND OF AD.		# 2.98	
10	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31								
JAN.							161							70							122						176												
FEB.				185						188								192								194													
MAR.				196						201																													
APR.																																							
MAY																																							
JUNE																																							
JULY																																							
AUG.																																							
SEPT.																																							
OCT.																																							
NOV.	28	33	34	37				48	53	54	59				67	74	83	88	92																				
DEC.				123						144							150																						
											</																												

ticular tally sheet was transcribed from a daily work sheet and after the first month's pulling, only the total weekly pull was recorded. Are there any ratios apparent at first glance? Look at November 23rd; total here is 100—approximately one-half of the final pull. November 23rd is just 30 days after the publication began to pull. We have our first multiple: 2. Double the number of orders received in 30 days to get the approximate final pull.

But 30 days may be too long to wait—closing dates approach and a decision whether to repeat or not has to be made. How about 15 days? Can a multiple be obtained here? The fifteenth day is November 8th, and the cumulative total is 48, approximately one quarter the eventual

## Chapter Eleven

total. The next multiple then is 4, and the rule: to get the total pull, multiply fifteen pulling days by 4. Another tally page is given below.

PUBLICATION												DATE <i>November</i>												KEY NO. <i>R2811</i>									
SPACE USED <i>2 col.</i>												PRICE \$ <i>300<sup>00</sup></i>												KIND OF AD. <i>#200</i>									
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
JAN.																																	
FEB.																																	
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JULY																																	
AUG.																																	
SEPT.																																	
OCT.																																	
NOV.																																	
DEC.																																	

After the first insertion, a variation may be observed if the copy is repeated too often. The multiples may drop to 1½ for 30 days and 3 for 15 days. Incidentally, this may be a warning sign; give the publication a rest.

*Monthly Publication—100% Subscription—Men's*

SPACE USED <i>1 page</i>												PRICE \$ <i>250<sup>00</sup></i>												KIND OF AD. <i>\$ 2.75</i>									
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
JAN.																																	
FEB.																																	
MAR.																																	
APR.																																	
MAY																																	
JUNE																																	
JULY																																	
AUG.																																	
SEPT.																																	
OCT.																																	
NOV.																																	
DEC.																																	

### Predicting Pull

Using the same method, we note that the final total, 1,249, is only slightly better than  $1\frac{1}{4}$  times the 30-day total, 969. We therefore use the multiple  $1\frac{1}{4}$ , and for 15 days, the multiple, 2.

Monthly Publication—Newsstand—Women's

PUBLICATION										DATE <u>March</u>										KEY NO. <u>T 293</u>											
SPACE USED <u>1 col.</u>										PRICE \$ <u>460<sup>00</sup></u>										KIND OF AD. <u>#128</u>											
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
JAN.																															
FEB.																															
MAR.																															
APR.																															
MAY																															
JUNE																															
JULY																															
AUG.																															
SEPT.																															
OCT.																															
NOV.																															
DEC.																															

Here again the rule seems to prevail. Double the 30-day pull and quadruple the 15-day total.

Monthly Publication—Largely Subscription—Women's

SPACE USED	1 page															PRICE \$ 1185 <sup>00</sup>															KIND OF AD.															3 95														
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31																													
JAN.																																																												
FEB.																																																												
MAR.																																																												
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OCT.																																																												
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## Chapter Eleven

The 30-day total is 299 and the final, 451 or almost exactly 1½ times. The 15-day total is 208, a little less than ½ the final figure.

*Weekly Publication—National Circulation—Principally Newsstand*

PUBLICATION										DATE <i>Sept'</i>										KEY NO. <i>T99</i>											
<i>2 1/2 page</i>										PRICE \$ <i>2570-</i>										KIND OF AD. <i>3.98</i>											
19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
JAN.																															
FEB.																															
MAR.																															
APR.																															
MAY																															
JUNE																															
JULY																															
AUG.																															
SEPT.																															
OCT.	<i>904</i>	<i>826</i>																													
NOV.																															
DEC.																															

The final total, 898, is approximately 5 times the 2-day total; 3 times the 3-day total and twice the 4-day figure. These are the multiples many mail order people apply to get the final pull in such a publication.

All the above calculations are applicable to the East and West. The multiples may have to be corrected slightly for the central and midwest states.

### *Direct Mail*

The record of the mailing shown on page 89 is for a national cross-section list with the entire mailing going into the post office the same day and the origin point, New York. (No multiples will be calculated for local or staggered mailing because of the many variables.)

## Predicting Pull

PUBLICATION		DATE		KEY NO.	
List A		June		G	
SPACE USED 15000		PRICE \$ 750 <sup>00</sup>		KIND OF AD. 2.98	

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
JAN.																															
FEB.																															
MAR.																															
APR.																															
MAY																															
JUNE																															
JULY																															
AUG.																															
SEPT.																															
OCT.																															
NOV.																															
DEC.																															

The final figure 495 is approximately double 259, the 8-day pull. Our guide in determining direct mail pull is to double the orders received in 8 to 10 days.

Because third class matter (the classification most bulk mailings fall under) often has to give way to the priority (first class) mail, especially during holiday seasons or heavy mailing periods, correction in the multiple may be necessary.

### Inventory Planning Based on Expected Pull

The same tally sheets that enabled us to predict the eventual pull of an ad can also be used to plan stock. Let us assume that the initial testing project took in the following media:

- A. Monthly magazine (newsstand)
- B. Weekly newspaper supplement
- C. Monthly magazine (subscription)
- D. Direct mail

### *Chapter Eleven*

By calculating the total pull for each operation according to the system shown, we know that the expected merchandise to be sold for:

A is 4 x 15 days  
B is twice 4 days  
C is twice 15 days  
D is twice 8 to 10 days

We can now plan our purchases accordingly without freezing the limited capital in stock.

# *How To Make the Customer A Steady Source of Profit*

IF HE HAS BEEN PLEASED with the first offering, the customer may re-order without further solicitation; however, experience has shown that with few exceptions, he is unlikely to do so unless nudged with follow-up mailings. The simplest and cheapest way is to enclose a re-order blank with each shipped order. This is very effective with cosmetics, medications, and certain staples. Most merchandise requires special, attractive follow-up mailings which offer a reduced price or savings in the purchase of larger quantities.

## *One-Time Sale Items*

If the item has only one-time sale possibilities, such as for example, a handy fire extinguisher for automobiles, it may be possible to interest your customer in becoming an agent for the product in his community. Generally, this will require the preparation of sales kits, order forms and attractive sales folders.



## *Chapter Twelve*

### *Agent Deals*

The beginner in mail order is counselled against agent deals until well established. But even if it is necessary to forego, for the time being, the pleasure of making a salesman of the "one-time" customer, he can still be sold related auto accessories. How about seat covers, clothing hooks, jacks, car cleaners? How about a larger extinguisher for the house?

The mail order customer is wonderfully responsive if he has been treated fairly. Don't sell him "let-downs" and he will always keep coming back to you.

A word of caution about follow-up mailings. Every list, even your own, should be tested first with a small mailing. Study Chapter III again. Your "house mailing," as it is called, will be cheaper only by the cost of the list, but even this saving may not be enough to offset a small pull. Experience has shown that a "house list" will outpull any outside list *if* (and this is a big *if*) the customer received honest value when first sold.

The seasonal nature of the merchandise should also be considered when planning the follow-up. A customer who will respond generously to an offering of gay pastel-colored ties in May and June may toss the mailing into the nearest waste basket during January.

### *Rate of Circularization*

How many times should the customer be circularized? Again, it is the product that determines the rate. If the original sale was a two-month supply of a vitamin compound, it seems reasonable to attempt a follow-up mailing

### *Customer Lists*

every two months (after testing, of course). On the other hand, you would not expect a housewife to order an electric coffee-maker every two months.

#### *Selling or Renting Your Customer List*

This subject always arouses a lively controversy among people in the field. The "cons" maintain that the list will become "used up" or saturated, and when the list owner himself circularizes, a reduced pull will result. The "pros" call this hogwash and insist that the reasons a mailer fails to pull well on his own list may be unsuitable follow-up offering, poorly prepared advertising, or mail order let-down.

The argument of the "pros" seems to be backed up by the experience of many mail order people. There are numerous instances on record where customer lists proved constant failures to the owner, yet other mailers to the same lists repeatedly paid out. A frank appraisal of the original item sold, usually forces the conclusion that buyer has been taken over the hurdles, or to put it in the words of a refund letter, "Merchandise not as advertised. Want my money back. Take my name off the list."

#### *Where To Sell Your List*

It is suggested that the services of several established list brokers be obtained. Their nationwide connections and experience will bring many more rentals. A partial listing of some of the better known list brokers and compilers will be found in the Appendix. This recommendation need not exclude direct solicitation of companies which, in your opinion, could profitably use your list, GOOD LUCK!

## APPENDIX

### list Information

#### *List Brokers*

George R. Bryant	55 W. 42nd Street, New York, N. Y.
Walter Drey	49 W. 45th Street, New York, N. Y.
Guild Co.	76 9th Ave., New York, N.Y.
Willa Maddern	215 4th Ave., New York, N. Y.
Moseley Selective List Service	38 Newbury Street, Boston, Mass.
Names Unlimited Inc.	352 4th Ave., New York, N.Y.

#### *List Compilers*

Boyd's City Dispatch Inc.	114 E. 23rd St., New York, N.Y.
Dickie-Raymond	521 5th Ave., New York, N. Y. The Reuben H.
Donnelley Corp.	305 E. 45th St., New York, N. Y.
Dunhill List Co.	565 5th Ave., New York, N.Y.

### *Appendix*

Educational Lists Co. Inc.	110 W. 40th St., New York, N.Y. Fisher-Stevens
Service Inc.	345 Hudson Street, New York, N. Y. Kane-
Kiernan Organization	915 Broadway, New York, N. Y.
R. L. Polk Co.	354 4th Ave., New York, N.Y.
W. S. Ponton Inc.	635 6th Ave., New York, N. Y.

### **Special Testing Media**

*Newspapers: Mail Order Sections or Predate Editions*

Chicago Herald American	New York Sunday News*
Chicago Sun-Times	Philadelphia Inquirer
Chicago Tribune New York	
Sunday Mirror*	

\* Split-run testing facilities.

### **Publications with Moderate-Priced Circulation Frequently Used in Mail Order**

#### *Men's Publications*

Ace Fiction Group	Double Action Group
Argosy	Fawcett Men's Unit
Best Detective Group	Field & Stream
Confidential Detective Group	Fur-Fish-Game
Dell Men's Group	Hunting and Fishing
	Macfadden Men's Group

## Appendix

Mechanix Illustrated	Popular Science Monthly
Official Detective Stories	Science & Mechanics
Outdoors Outdoor Life	Sports Afield
Police Gazette Popular	True
Mechanics Popular	Variety Group
Fiction Group	Varsity
<i>Women's Publications</i>	Ziff Davis Fiction Group
Dell Modern Group	
Fawcett Women's Group	Ideal Women's Group
Hillman Women's Group	Macfadden Women's Group
<i>Teen-Age Publications</i>	Secrets
Boys Life	
	Flying Models

For a full list of publications, see *Standard Rate & Data Service*, 333 North Michigan Avenue, Chicago 1, Illinois.

*No individual or company named in this book or in the appendix has paid for being listed.*