



23 Specific Ideas for Testing Direct Mail Premiums

By **Hugh Chewning**

Other than list selection, nothing is more important to your direct mail success than your offer. And when you add a premium to your offer—or test a new premium—you’re testing a change to your offer.

If you’re not testing premiums now, you should be. And if you *are* using premiums, you need to be testing new ones.

Here are 23 practical, easy-to-use ideas that should make the job easier:

1. If you’re including a premium in your mailing now, test a new premium. If you’re not using a premium, test one now.
2. Do the math in advance. Before mailing your test, determine how much of a “lift” your package must have to justify the premium’s cost—including its fulfillment costs.
3. Test premiums with the highest perceived value but the lowest cost. These are often printed materials—pamphlets, whitepapers or even a decals, for example.
4. Don’t just throw a premium offer into your package. Work it into the letter copy, response form and, if appropriate, a special insert.
5. When possible, test a premium that has a logical tie-in with your organization. For example, The Nature Conservancy may use a

CHEWNING DIRECT MARKETING

www.cdmdirect.com

Phone: 949-854-5401 . Email: HChewning@CDMdirect.com

©Chewning Direct Marketing

- backpack, National Wildlife uses colorful wildlife conservation stamps and the American Indian Relief Council has used Native American art.
6. Test something you're already giving away. Rework your booklets, pamphlets and other useful information. Give them an attractive name and test them as your premium. For example, a senior's organization may offer a retirement guide—"How the president's health-care plan affects you"—or a self-help guide on "How to fill out a Medicare form the right way every time."
 7. Be sensitive to the perceived value of your premium. It needs to be high enough to generate desire, but you don't want your nonprofit donors thinking their contributions will pay only for the cost of the premium. We use premiums to entice people, not buy them.
 8. Allow the reader to visualize the premium as you fully describe its benefits.
 9. Feature the premium offer in the letter copy's first three paragraphs and show it on your response form. If you're going to give something away free, it's worth talking about.
 10. Use graphics that show people using your premium.
 11. Use premiums that require periodic replacement—address stickers, calendars, dated membership cards, etc.
 12. When appropriate, cite the dollar value of your premium.
 13. Test using the premium as an "Early Bird" offer—be among the first 100 to respond and get an extra bonus gift.
 14. Test several levels of premium offers—but probably no more than three—that increase in value as the contribution/order size increases. For example, contribute \$25 and get this. Contribute \$50 and get this.
 15. Test an involvement device that pictures your premium—for example, a peel-off label that you instruct prospects to place on their response form or return envelope when replying.
 16. Test increasing awareness of your offer by using a window envelope to display a graphic of the premium on the outside. Or when not using a window envelope, test printing a colorful graphic of the premium on the outside of the envelope. (Sometimes it's worth showing the specific premium on the outside envelope, but other times you'll do better with a generic teaser promoting a free gift. It's something you have to test to see

what works best for you.) And don't forget about promoting your offer on the back of the envelope. Tests show that when opening the envelope, people spend more time looking at the back than the front.

17. For customers whose first order or contribution was in response to a premium offer, test appeals with and without a premium for renewal and cross-sell mailings.
18. When testing membership cards, the heavier the weight, the better. Plastic will typically out-pull paper, and a thicker plastic card will typically generate more response than will a thinner plastic card. But remember, the issue is net income, so you have to test to see what type of card is most profitable.
19. Follow the old direct mail principle "If one works, try two." If you're successful with a premium, try a test that offers two premiums. You may find that the appeal of "2 FREE Gifts" will dramatically boost your response. If that works, consider testing "3 FREE Gifts."
20. Don't overplay the premium and undersell your real offer. (Don't make your premium more valuable than your main offer.) Otherwise, you'll attract "freebie" hunters or other fringe buyers who will not become good repeat customers.
21. When possible, personalize the premium. For example, offer personalized note pads.
22. Remember, your objective is to increase net dollars. How much you can afford to pay for a premium is determined by how much additional money the premium generates.

For more about premiums, see "Direct Mail Premium: How to make them work for you" which you can find in the Resource Center.