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FRANCHISING WORLD

DECEMBER 2017

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Keys to Gaining Franchisee Opt-In With Your Direct Mail Programs

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Keys to Gaining Franchisee Opt-In With Your Direct Mail Programs

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Two factors influence franchisee participation in direct mail programs: Proven success metrics and field sales/marketing rep engagement.

If you want to make direct mail programs work for your franchise brand, you need to understand why franchisees don't typically opt-in to this marketing channel. Ultimately, it comes down to two factors:

- Franchisees don't have strong data to prove that the program works: If they don't know it works, they won't participate.
- Lack of sales force / marketing representative engagement: If they are engaged and promote the programs heavily to franchisees, they will be used.

Direct mail has a good story to tell. According to the Direct Marketing Association, the response rate for direct mail for all reported campaigns is 5.1 percent (compared to 0.6 percent for email, 0.6 percent for paid search, 0.4 percent for social media, and 0.2 percent for online display). The current response rate is the highest the DMA has ever reported since coming out with the Response Rate Report in 2003. Direct mail is far from dead. In fact,

RESPONSE RATES

Direct Marketing Association



DIRECT MAIL
5.1%



EMAIL
0.6%



SOCIAL MEDIA
0.4%



ONLINE DISPLAY
0.2%

many franchise brands are turning to direct mail campaigns because of high response rates and proven performance in generating sales and new customers, as well as retaining customers.

Here are some more thoughts on the keys to gaining participation in your direct mail programs.

USE PROVEN WINNERS

To get your franchisees on board, your team needs to do its due diligence during development and testing of the direct mail program before inviting

your franchisees to participate. Test! Test! Test! By taking the time to do this, you will present a strong case for them to invest their dollars in your program, which is half the battle.

Here are some examples of the type of data you should be ready to share with them:

- How many test campaigns did you run?
- What stores or locations were tested?
- Did you integrate POS data points?
- How large was the size of the campaigns?
- What offers were tested?
- What were the results of the test campaigns, e.g., sales, margins, cost per new customer acquired or cost per lead generated?
- What was the cost per campaign?
- How does this method compare to other marketing channels, such as email campaigns, paid search, social media campaigns, radio advertising, etc.?



When they are able to see the results, they will be more inclined to participate and advocate. It definitely helps to have franchisees provide solid reviews. Peer-to-peer testimonials work extremely well when rolling out new marketing initiatives.

Your franchisees aren't the only ones who reap the benefits of having successful direct mail programs. By giving your franchisees the option to execute their own direct mail campaigns on brand portals with controlled brand parameters, your marketing department will have more time to focus on other marketing or sales initiatives. Your marketing team will not need to spend any time customizing offers, routes or mail materials because the franchisees can do that on their own with a few clicks.

USE YOUR SALES AND MARKETING TEAM AS KEY INFLUENCERS

There's no way around it, your corporate sales and marketing team is a critical factor. Your team can easily influence participation, but only if it has the right tools at its disposal. By arming the team with successful metrics from your test campaigns, it will have everything it needs to show your franchisees how direct mail programs will help them.

Your franchisee support representatives should be challenged to communicate program details and sign up people. They should be armed with fact sheets and collateral that help them tell the story. Multi-modal communication tactics should be employed. Provide them with reports that show who's in and who's out and hold them accountable to achieving enrollment targets. If incentive compensation can be offered, that would be a plus.

Having your team reach out to your franchisees with proven success stories and metrics is a must and the most effective way to get your franchisees signed up. We have seen it repeatedly that the highest participation levels occur in organizations where sales reps or field marketing reps sell the program to the franchisees or dealers.

MAKE DIRECT MAIL PROGRAMS EASY

In order to make something for your franchisees to use, you have to do your research. This involves asking your franchisees some of the following questions:

- Do you currently use any of our direct mail programs? Why or why not?
- Do you want marketing programs that you can get from an online ordering website, enrollment/opt-in programs, or both?
- What sort of performance reporting would you like to see?

Once you have their feedback, you can develop programs and approaches that align with their preferences and train them on the approaches. Before training anyone, make sure your franchisees understand the data from the testing stage so they're more willing to try it out themselves.

Training can be handled in different ways: webinars, YouTube videos, sessions at upcoming conferences and more. The important thing to remember while training is that everyone learns differently. It may be helpful to communicate with your franchisees before setting anything up so you can learn what method each one prefers and give them a choice. This allows everyone to learn about the program, in the way that best suits them, and can reduce the need for franchisees to contact your marketing team.

DIRECT MAIL CAN PROVIDE POWERFUL INSIGHTS AND RESULTS

Direct mail is often overlooked in the multi-channel marketing mix, but it shouldn't be. Direct mail can provide valuable insights about your customers, particularly when integrating campaigns with your POS data. Careful thought needs to be given to tracking results.

By measuring your ROI on direct mail campaigns, you can easily see what's working and which offers and approaches your customers prefer and respond to. Some of these tracking mechanisms include coupons, visiting a URL or personalized URL for an

79% of consumers will act on direct mail immediately, compared to only 45% who say they deal with email immediately.

- Direct Marketing Association

appointment or estimate, scanning a quick-response code or calling you directly. Your objective will help drive the appropriate option.

The possibilities of using direct mail are endless, but here are a few areas that could benefit from direct mail programs:

- New customer acquisition,
- Driving store traffic,
- Loyalty or reward programs,
- New product or service offering,
- Lapsed customer win-backs,
- Grand openings, and
- Special events.

DIRECT MAIL IS STILL POWERFUL

As you can see, direct mail campaigns can help achieve a broad range of marketing and sales objectives.

If you're not currently running any direct mail programs for your franchisees, you may be missing a big opportunity for brand awareness, lead generation or sales. According to the DMA, 79 percent of consumers will act on direct mail immediately, compared with only 45 percent who say they deal with email immediately. Studies show that direct mail and email, used in conjunction with each other, perform better than the sum of the results of either tactic used alone.

Direct mail success can lead to higher sales for franchisees and higher royalty revenue and positive referrals for the franchisor. ■



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