

*Insights and findings on marketing to seniors*

# THE LOVE REPORT

& COMPANY

Fall 2008

## *Through Their Eyes— What Direct Mail Approaches Resonate with Seniors?*

### *You've Got (Snail) Mail*

"You may have already won One Million Dollars!" This announcement—personalized and emblazoned across an oversized envelope—may or may not get your attention, but will it attract the interest of today's sophisticated mature market? Direct mailing houses and list brokers tell us that many variables, including mailer size, shape, color and design, may affect readership rates among the general public, but do these factors have an equal influence on the 55+ market? And what about offers and incentives—what works best to motivate the mature market?

To unlock these mysteries, Love & Company developed a two-year research plan to gain insight into seniors' views and responses to direct mail. In this, the first year of our study, we investigated participants' reactions to the elements that make up the first impression—and can determine whether a piece of mail is read or ends up in "the circular file."

### *Our Research Process*

Love & Company conducted five focus groups of age- and income-qualified homeowners in three locations: Richmond, Virginia; Winchester, Virginia; and Morgantown, West Virginia. Forty-five percent of attendees were between the ages of 55 and 69. The remaining 55% of attendees were ages 70 and older. Both of these age groups were comprised of 40% men and 60% women, with 71% of all participants married, 10% single, and 19% widowed. All participants reported incomes in excess of \$35,000 per year.

During the sessions, we assessed participants' preferences and opinions of a selection of direct mail pieces as they reviewed simulated mail piles. Each simulated mail pile included four senior-oriented test pieces developed by Love & Company for two fictitious retirement communities, Oak Meadow and Cedar Glen. Miscellaneous other mail including a variety of typical bills, catalogs, sales flyers and other promotional items rounded each stack to a total of 14 or 15 pieces. Participants were not able to open the mailings, so reactions are based on the exterior of each piece only.

In this report, we briefly highlight some of the main findings of the study and provide a glimpse into our conclusions and recommendations for the most effective direct mail approaches.

### *Recruiting Participants*

To maximize our research, we incorporated a test into the direct mail used to recruit focus group participants. To test the effectiveness of self-mailers versus envelopes, we developed and mailed three different direct mail pieces with a consistent message but different sizes and delivery vehicles. The result? Both a letter mailed in a standard #10 business-sized envelope and a smaller, invitation-style envelope outperformed a full-color, oversized postcard by sizeable margins (81% and 62% more responses, respectively).

*What attracts the interest  
of today's sophisticated  
mature market?*



## A Picture-Perfect Invitation to Lunch

It's no secret that the mature market loves a free lunch! But can photography increase response rates and attendance for special events?

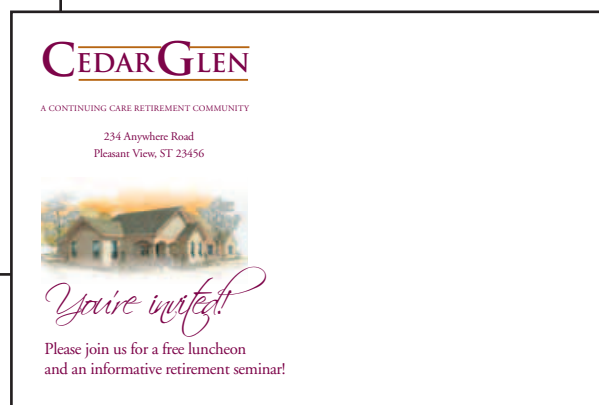
We tested participants' response to a color image on an envelope by designing two envelopes: one with a text-only teaser, and the other with both text and a four-color rendering.



Not surprisingly, the free lunch message generated considerable excitement and enthusiasm among all participants. Interestingly, partici-

pants in both age groups gave a higher ranking to the text-only envelope design, meaning they would select it from their mail pile and look at it sooner.

When each group was asked to rate the *appeal* of each piece in their mail pile, the top choice across the board was the envelope with a cottage rendering. These contradictory results suggest that participants found the free lunch offer more immediately noticeable on a plainer envelope. This theory was supported by focus group comments about pieces that were "too busy," "too confusing," and "cheap and flashy."



## The Value of a Smile

Among participants ages 55 to 69, there was little difference in the ranking of the postcards. However, participants age 70+ ranked the floor plan postcard significantly lower. In fact, they ranked this version as third from the bottom of their list, only slightly more likely to be read than the two "most-hated" mailers shown on the next page!



We developed two four-color, oversized postcards promoting new senior living cottages to test the effectiveness of lifestyle photos featuring people versus floor plan diagrams.



## What NOT to Do!

Among all the mail pieces shown to participants, these not only earned the lowest scores among every piece in every pile, but they also generated the most emotionally charged comments!



*“cheap looking”  
“too flashy”  
“looks like a ‘come-on”  
“too busy”  
“just another hustle”  
“hate it!”*

*If you’ve ever considered trying some of these attention-getting direct mail tactics, we’d advise strongly against it!*

## Does Size Matter for Self-Mailers?

Sometimes there’s just not enough money in the budget for a personalized, first-class mailing in an envelope. So, what can a marketer do to maximize the impact of a postcard among a sea of other promotions?

We designed two postcards to test whether the size would affect how participants respond. The content, call-to-action and design were similar; only the sizes differed.



*“I like it—it’s informative and brief.”*



Size didn’t matter to participants ages 55 to 69, who gave both the standard and the oversized postcards identical scores, with the two cards ranking #5 in the mail pile. Surprisingly, older participants ranked the smaller postcard significantly higher than its larger counterpart. The standard size postcard also was rated higher than the large postcard in terms of appeal by both age groups.

## Delivering All the News That’s Fit to Print

Love & Company designed two test pieces to measure the performance of a two-color, newsletter-style mailer versus a four-color booklet-style mailer.

When ranking the likelihood of opening the mail pieces, the newsletter was ranked particularly low by both age groups, in 12th place and 10th place out of

15 pieces. Both groups rated the newsletter a bit higher on its appeal factor, as 3rd and 6th most appealing. The four-color self-mailing booklet was rated higher by both age groups, with a 2nd place rating from those ages 55 to 69, and a 5th place rating from those ages 70 and older.

## Teasers that Tantalize...and Some that Don't!

Love & Company developed a series of “teaser” headlines—from traditional to “out-of-the-box”—in the senior living, financial, medical and travel fields to gain further insight into the minds of the mature market. What did we learn? That participants of all ages agreed upon the very best—and the very worst—headlines.

### The Very Best

- Conveyed service, but still acknowledged that participants were active
- Encouraged and promised learning
- Demonstrated relevance to their life experiences, however not overpowering, threatening or overpromising
- Offered a savings, appealing to many participants' desire to find good values

### The Very Worst

- Humorous and “eyebrow-raising” statements such as “Retirement is for wimps.” These statements were found offensive, even if used in jest.
- Overpromising or “gimmicky” statements such as providing a simple or easy solution to a difficult task in their lives, e.g., financial management or healthcare struggles
- Overly forward and falsely energetic teasers including unnecessary exclamation points

### The Top Teaser:

*“Managing wealth in a weak economy—learn strategies for growth during challenging times.”*

## Conclusions and Recommendations

- If your budget allows, approach your prospects using an envelope featuring a simple, clean design. Photos or illustrations may be used to add visual appeal but should remain secondary to your primary message.
- Use photography on envelopes judiciously, being careful not to have the images so large or prominent that they draw the audience's attention away from your primary message.
- Avoid designs that are overly busy or “flashy” with old-style direct mail gimmicks.
- Use teasers that feature open-ended statements or intriguing questions to arouse curiosity in your audience.
- For self-mailers, try to incorporate images that show “active living” and support them with copy that implies an active lifestyle among residents.

## The Power of the Envelope

Overall rankings for each simulated mail stack underscored the importance of envelopes:

- For mail pile #1, the top seven highest ranked pieces were in envelopes.
- For mail pile #2, three of the top five were in envelopes, while the others contained coupons or specific savings offers.
- For mail pile #3, the top five included three mailings in envelopes, one savings offer, and one piece directly relevant to the mature market.



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The 2008 direct mail research project was led by Jessica Kraft, account manager, and Tyler Sprecher, vice president/creative director. Please contact them with questions about this project.

For copies of previous research studies, please contact us or visit our Web site. Recent studies include:

**2007:** *How do seniors' media preferences differ by demographic segment?*

**2006:** *What do today's seniors really see when they view your wellness marketing messages?*

**2005:** *Best practices in electronic marketing to seniors*