

The Florida Professional Photographers, Inc. Presents:

Let\$ Make Money

A MARKETING, FINANCIAL & BUSINESS PRACTICES GUIDE FOR FPP MEMBERS
Issue # 43, 2007

Direct Mail Campaigns

Which Strategy Pulls Better...?

Sending one mailing to 6,000 prospects or sending a series of three mailings to 2,000 prospects? Most people assume that going for as many people as possible with one mailing is better than targeting a smaller group with repeat mailings. However, a recent study conducted by Sales and Marketing Executives International concluded that four out of five direct mail appeals are successful only after repeated contact. That means if you blew your whole direct mail budget on just one mailing, you would be leaving most of your profit on the table.

Source: www.beheardsolutions.com



TIP: The first step in developing a marketing plan is to develop solid information about your target market. This includes market size, sales potential, assessment of your competition, and information on pricing and marketing practices.

Excerpt from www.powerhomebiz.com

"People become really quite remarkable when they start thinking that they can do things. When they believe in themselves they have the first secret of success."
~ Norman Vincent Peale

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Improving Direct Mail Returns

Some businesses avoid direct mail because it is perceived as “risky.” Sure, running a direct mail promotion can be stressful because many variables that affect your return on investment (ROI) come into play. You have to have a great offer that is sent to the right people, packaged in such a way that the recipients will be compelled to open it. Get one of these variables wrong and you might just say goodbye to your profit.

However, when direct mail works, the ROI can be phenomenal. The Direct Marketing Association and Wharton Economic Forecasting Associates did some research and learned that U.S. advertisers spend \$167 per person in direct mail marketing to earn \$2,095 per person, which is an ROI of 13 to 1. A survey from the U.S. Postal Service showed that 85% of mail is read or scanned by recipients and 38% found direct mail pieces interesting.

So even with the rise in Internet marketing, direct mail certainly isn't dead. In fact, if the people getting your direct mail are customers you already do business with, the news is even better. A study by the Rochester Institute of Technology Printing Industry Center indicated that 67% of respondents actually *like* getting mail from companies they know.⁽¹⁾

To reap these benefits, you have to approach direct mail systematically. Just as in science class, you need to experiment. Try a promotion on a small scale, see what happens and then tweak it to improve response. Only after you are getting a profitable response should you expand your direct mail program.

Of course before you can begin all this experimentation, you need to put systems in place to track your response. The best response becomes your “control” package. Once you have reliable statistics on the control, experiment with changes to your lists, packaging and offers. Keep track of the lists you use that work well (and those that don't). Test out different packaging or offers and track which approaches work best. Big direct mailers test everything right down to the punctuation on the lowliest envelope or insert. Remember that if you can measure something, you can improve it. You can track response in many ways, depending on your budget and staff.

It can be as simple as telling your employees to ask your customers where they heard about a promotion or using codes on response cards. Whenever you launch new promotions or contact customers, see if there's a way to create a feedback loop.

The more information you can obtain about who your customers are and what they really want, the more successful your direct mail efforts will be.

Source: *The Print Council, Washington, DC* www.theprintcouncil.org



TIP: Improve your direct mail's open-rate by adopting a tactic successfully used by the nonprofit sector. Break your postage up into three denominations and put three different stamps on the envelope. Using multiple stamps helps your mailer stand out from the deluge of mailers that currently use the popular single stamp technique.

Source: targetmarketingmag.com

"Creativity is a central source of meaning in our lives...most of the things that are interesting, important, and human are the results of creativity...[and] when we are involved in it, we feel that we are living more fully than during the rest of life."

~ Mihaly Csikszentmihalyi

Consumers favor ads with emotional content

New research shows that creativity and emotion are what make advertising successful, not the message it is trying to deliver. Dr. Robert Heath, from the University of Bath's School of Management in England, found that advertisements with high levels of emotional content enhanced how people felt about brands, even when there was no real message. However, advertisements that were low on emotional content had no effect on how favorable people were toward brands, even if the ad was high in news and information.

Source: University of Bath

Writing press releases is a great idea –

Even if you never get any press

By posting press releases on your website, you'll attract traffic from prospects that stumbled upon your site during a search engine query. Rather than waiting for just the right event to pitch to a journalist, write a prospect-oriented press release anytime there's something new happening at your studio. Be sure your release is rich with keywords to attract searchers, and include your phone number. However, avoid filling your press release with sales hype. Both prospects and journalists will see through this, which could ruin your credibility.

Source: www.publicityhound.com

Start Preparing Now if You'd Like to Qualify for a Business Loan in the Future

First, establish a personal relationship with your banker. People prefer to lend money to people they know, so call your bank and say you'd like to stop by to talk about your business. Second, start borrowing small amounts to build good credit. This makes it easier to get larger loans down the road. Finally, understand that banks prefer cash flow to collateral. A good rule of thumb is that you need about five to six times the cash flow necessary to service the interest payments on your debt.

Source: www.forbes.com

*"If you truly feared failure, you'd be very successful."
~ Barbara Sher*

Starting a Home-Based Photography Business

You know you have the skills and technical expertise to become a good photographer. Maybe you've just graduated from a top photography school or you've decided to foster your hobby, and you're not ready to "hang a shingle" on a store-front. Here are some of the steps that you need to take when starting your own home-based photography business:

1. Write your business plan. The business plan will serve as your roadmap to starting, managing and growing your business. Writing a plan will help you to think out what your goals are and identify the strategies that will take you to reach your goals. It will help you understand the financial requirements of your business, evaluate your resources, force you to think of where and how you can finance the business, and tell you the parameters of measuring the financial status of your business. Through the plan, you can begin to identify your potential clients, establish a workable timetable, set reasonable fees or prices, and plan out your marketing strategies. The plan will also serve as your guide as to how well (or how bad) you are performing

2. Establish your legal business identity. Each country, state and counties have different rules in treating businesses. Check with your local county clerk to learn about the rules that apply to a photography business,

particularly home-based . If your business is going to be a sole proprietorship, you only need to register your business in the county office or town hall and file a

"doing business as" (DBA) form for a small fee if you are not going to use your own name.

3. Open a business banking account. Bring your DBA form to a bank to enable you to open a checking account for your business. It is important to separate your business from your personal finances. If you are going to use a credit card to jump-start your business, it is preferable that you have a separate card for your business and financial expenses

4. Check zoning restrictions in your area. It is best to determine the zoning restrictions in your area before you proceed, particularly if you expect to have clients coming over to your house for a photo shoot.

5. Get your equipment. We're not just talking about photography equipment, like cameras, lenses, lights, etc. You need to identify the office equipment that you will need, such as computer, telephone, fax, scanner, furniture, and others. In your list, make a mark of what you already own and what you need to buy

6. Set-up insurance. Most photographers benefit from liability insurance, particularly if you have clients going to your studio. This kind of insurance will protect you if your customer, for example, trips on a cable and suffers an injury. You also need to explore getting equipment indemnity, if your homeowner's or renter's insurance do not cover these items.

7. Finalize supply and photo lab arrangements. Start developing relationships with your photo lab and suppliers. The lab you use can make or break your business. The quality of work, ability to meet promised deadlines, and the ability to get a complex order correct varies from one photo lab to the other.

8. Join professional organizations. One of the very first things that you need to do is to participate in your local chamber of commerce, photography associations and other professional organizations. Joining a group is the best way to network and meet potential customers, compare notes and collaborate with other photographers in your area.

Excerpt from an article by Jenny Fulbright at www.powerhomebiz.com

"But I don't want to go among mad people," Alice remarked.

"Oh, you can't help that," said the Cat, "We're all mad here. I'm mad. You're mad."

"How do you know I'm mad?" asked Alice.

"You must be," said the Cat, "or you wouldn't have come here."

~ Lewis Carroll

*Editors Note: in this issue we will introduce a new column--- the **Studio Spotlight**. In each addition we will highlight one of our FPP members and learn a little more about them, their business, and what makes it work. If you have a sales tip/marketing idea or money making suggestion that you'd like to share with your FPP peers, please contact Communications Director Alan Dust at alan.dust@yahoo.com. Space is limited, so please be concise and understand that the editor has the right to....well, edit. ~ cw*

Spotlight on: **Thomas Bruce Studio**

In 1973 Bruce M. Evensen opened Thomas Bruce Studio, Inc. in St. Petersburg, Florida, specializing in Elegant Portraits and Wedding Photography. "Papa Bruce", is also an adjunct professor at the International Academy of Design and Technology and an instructor at the FPP Florida School of Photography. After 35 years in the business, Bruce has found that the average person comes to a professional photography studio only once---maybe twice---in their lifetime. Milestones like weddings, births and family reunions are special occasions that give us the all-important "one chance to make a first impression". When shooting ---and more importantly selling---the family portrait session, Bruce has found over the years that the shortest path to a high sales average is the indirect one. While we all know that breaking out family groups into smaller ones is a smart, and profitable, approach to family portraiture, the advantages of that are abundant in the projection room. After previewing the entire session, Bruce's sales consultant will begin with the smallest of the breakout groups, i.e. mom and daughter(s), dad and son(s), kids alone, mom & dad or the individual families of a combined group portrait. Once the client has narrowed down their choices and committed to their favorites, they then move on to the largest family group. This is the shot they came here for--- it's a given; *this* is the "money shot". In the meantime, you have inadvertently committed them to an assortment of combinations for "collections" or "wall arrangements". Had you started by choosing the largest group portrait first, prices or preconceived "needs" may have an affect on the overall sale. By using this approach, Bruce has found that family portrait sales can easily double or even triple above the average.

Completed: April 6, 2007 by Carol Walker

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