

The Importance OF Business Reply Envelopes

By Ed Morrow, CLU, ChFC, CFP®, RFC®

When reading *Time Magazine* the other day I was distracted when two postal reply cards “fell” out of my home delivered publication. Both cards solicited a subscription. One offered me an extension on my current subscription; the other was obviously designed to permit a non-subscriber to initiate a new subscription.

At first, I asked myself, “Why would *Time* continue to place both of these reply cards in every issue?” They can certainly distinguish the magazines sent to home subscribers from those that are bulk delivered to newsstands. Surely, some of these cards are mailed back to *Time* blank or with phony names and *Time* must pay the postage for all the returns. Why then, does *Time* send **me** 104 business reply mail cards every year?

The answer is, “**Because it works!**” The people at *Time* are not dumb. They have considered the cost of printing and inserting these 104 cards and their research clearly indicates that the customer response far out-weighs the cost. Let’s remember, the annual subscription for *Time* is far less than \$100. How does this compare with the expected return when one of your clients or prospects sends back a reply card requesting information on a product sale opportunity or requesting a personal contact?

If pre-paid postal reply cards work for *Time*, they will work for you – except that your payoff rate is likely to be far greater than what *Time* nets from a mere extension of a magazine subscription.

- Every financial advisor should have a business reply mail permit
- This can be used in two formats: Cards and Envelopes.

Envelopes. A number 9 size envelope is just a bit smaller than a standard number 10 envelope but the 8 7/8 length will still enable your client to insert an 8.5-inch form or letter. By inserting a Business Reply Mail envelope in your mailing, you will hasten the return of forms and checks. If a person is to pay for a workshop registration or renew your annual planning engagement, they will feel more comfortable placing credit card information on a form and placing that inside an envelope than to enter their credit information on a visible postcard.

The alternative is to place the full postage directly on the envelope for your client. However, this means you are paying postage regardless of whether the item is mailed back to you. With Business Reply Mail, you pay only if the envelope is actually returned. When the client does not have to search for a stamp or envelope, they will be much quicker to return the form or check requested.

Postcards. Business Reply Mail postcards should be used in the financial advisor’s marketing. While the postcards could be of different sizes, it will normally be used inside a standard number 10 envelope. The vertical dimension should be 3.75” (maximum 4”) and the maximum length can be no more than 6” inches. A size over 4” x 6” = higher postage! The card need not be in color or contain artwork, a cartoon or photograph. The objective is to **obtain information, not to entertain.**

Business Reply Mail Rates. The formula is: (First-Class Mail Rate) + (Business Reply Mail surcharge).

- At current (2008) envelope rates, this is: 42 + 72 = \$1.14.
- For a small postcard the charge is: 27 + 72 = 99 cents.

Qualified, higher volume user rates. Envelope: 42 + 08 = 50 cents. Postcard: 27 + 08 = 35 cents, a savings of 64 cents per item. The high volume user rate requires that the enterprise pay an extra \$565 annual fee. The volume required to break even is therefore 882 pieces of mail that are actually returned.

This might work for you, but it costs less to start up using the lower volume plan. That minimum return figure is a pretty large number, although it makes sense to a volume mailer like *Time Magazine*.

Setting Up Your Account. You must complete an application, **PS Form 3615**, and pay the USPS an annual fee of \$180. You will also need to place funds on deposit to cover the postage on expected mail. A \$350 deposit would cover the cost of the first 353 postcards or 302 envelopes. As your account diminishes by usage, the postal service will notify you of the need to deposit more funds. If you have a postal box for your mail, the Business Reply Mail is processed, charged against your account and placed in your box. Otherwise, each return will be given to a letter carrier for delivery, which might cause a delay.

Remote Office Use. You may be an agent or registered rep of a firm that already has a Business Reply Mail permit. If so, it may be possible for you to save the permit fee. However, you will need to obtain a copy of the company's postal filing and use their permit number on the printing of your envelopes or cards. It is not necessary to place the insurance company's name on the envelope – just the correct permit number and proper bar codes. However, you will still have to set up a local account with the post office to cover the reply postage amounts due.

Printing Procedures. The U.S. Postal Service will assign you a unique 9 digit zip code. For example, our normal zip code for mail is 45042-0430 since our Postal Box is number 430. However, the special number assigned for our Business Reply Mail is 45042-9914. Every envelope or postcard will need to have the proper barcodes that match your permit, placed in the lower right corner. The Postal Service will prepare these for you. You give them to your printer who will place them in the correct position – along with the permit number and various optical scanning features.

Get Around “Do Not Call” Restrictions! When you are soliciting strangers, there can be an issue that your phone call would be in violation of the “Do Not Call” regulations. One way to circumvent those restrictions is to have your prospects request that you contact them. The least intrusive method of doing this is for them to use a **Reply Mail Post Card**. They are requesting information or contact, and if they provide a number, then they will expect a call.

Of course, this does not mean you should call at an inconvenient time or in an inappropriate manner. Be sure to start your conversation in a non-threatening manner, such as:

“Mr. Smith, this is Bob Jones with Central Financial Services. You recently requested more information about (estate planning, increasing retirement income, etc.) and I wanted to be sure you received our mailing? Was that information helpful? For the past ___ years we have offered a free, no-obligation interview as a way to get better acquainted. We learn about your values and concerns, and you learn more about your special topics of interest and also about our services. Would you like to attend one of these no-cost, courtesy meetings, say next Thursday?”

Getting Maximum Benefit. The Postal Reply Cards should be periodically inserted with your client newsletter mailings. They should also be inserted in your drip marketing automatic mailings to both clients and prospects. One advisor inserts the “I’d Like Information” card in every mailing during January, April, July and October. In February, May, August and November he inserts a slightly different version that solicits a referral. Yes – most of these are never returned. But, every year he receives many high quality referrals just from these efforts. He also makes appointments leading to several additional purchases from existing clients. You can bet he will continue to include these postcards in his mailings!

Taking Action Now. The following pages provide examples of alternate layouts for Business Reply postcards. These are in a Word file, and we would be happy to email it to you so that you can avoid all the re-entry. Experience has shown that people will provide more information if they can just check boxes. They get a sense of accomplishment by successfully checking or passing a few boxes. **We strongly urge you to print:** (1) a No. 9 envelop for your administrative activity (2) a Request Information (individual) postcard (3) a Referral postcard usable with individuals and business owners, and (4) if you work business markets, a business owner reply card.

Workshops and Seminars. If you intend to offer free sessions to prospects or clients, you may want to have a reply card designed for those responses. This will work very well if you are not charging for the workshop. The format can be generic and used for different events. Most persons receiving your invitation to a seminar will be opening their mail in the evening. They are far more likely to respond with a Pre-addressed postage paid item than to call your office that night or remember to do so the following day. **Procrastination leads to inaction.** The decision to respond should not be lost by waiting.

Phone Numbers on Cards. Many persons do not like to place a call in the evening – knowing there will be no one in your office. They will get no answer, or they will be connected to a machine. So they procrastinate until the next morning. And the urge to respond weakens with delay! Some seminar producers report excellent results by placing their phone number on a response card, suggesting that the party might prefer to call in. Folks will take the cards to work and place the call during business hours.

Make the Response Even Easier. The typical reply card requires the respondent to enter their name and mailing information. You can make this even easier by printing a label and affixing it to your card. Folks will usually mark any changes for you. However, this does represent a bit more effort, and you must be careful to match the proper reply card with that party's letter.

Reply to Your Reply Mail Quickly! If a person responds that they'd like to attend a workshop it is imperative that you confirm their registration immediately. Do so by phone and by mail! Why both? Because their attendance is economically very important for you.

For example, suppose you have 20 couples attending a workshop on pre-retirement planning. On average you will secure 10 appointments (50%) and convert six (60%) of those into customers. That is a net of 30% of all couples. If your average new client produces \$5,000 of revenue, your workshop should gross \$30,000 and each couple attending has a value of \$1,500! ($\$30,000/20 = \$1,500$)

That \$1,500 is worth an immediate call by your staff person, plus a confirmation letter. Incidentally, why not use those calling opportunities to increase the turnout by asking, "Many persons attending our workshops like to bring another couple with them, or a family member. We have some additional space available. Who would you like to bring with you?" Then be sure to respond to those persons also with both a letter and call

Reply Card Design. There are those who advocate elaborate reply cards, printed with artwork, color, photos, cartoons or graphics. This is a waste of money! The reply card comes back to you, and you don't need a fancy postcard. A simple white card works well for publishers, and it is fine for you. However, if you are doing a lot of mailing, especially to upscale prospects, then have your cards printed on heavier stock and consider a color format.

You might be better off devoting your resources to other ways of improving your message. Perhaps, use a better grade of paper for your mailing envelope or stationery. Maybe use color, graphics or photos in your flyer. Perhaps use a large colored commemorative postal stamp on the outside mailing envelope. These should set the stage and motivate your recipient. Your Reply Card is just the fulfillment mechanism.

Referral Reply Card. Are these cards the best way to get new referrals? No! You'd be much better off asking for them personally. But, most advisors fail to do this. They certainly do not do so often enough. You are not looking for a referral reply card to replace asking for referrals personally, just to supplement it.

For example, suppose you only got six reply cards that net only two new clients. That might produce \$10,000 of revenue and certainly offset your entire annual postal and printing cost.

Privacy Issues. Actually the postal carrier does not care about the information on these cards, but clients are indicating a reluctance to place the requested information on an open post card. **Solution:**

use a No.9 Reply Envelope and a small insert cart. Print on front and back and solicit two referrals, not just one.

Reply Mail Magic. It is simple! Just inset these BRM requests frequently. Do it often. Don't debate, just do it. Sample cards are supplied below. Feel free to copy the layout and format and implement this powerful tool as soon as possible.

Getting The Permit Started: You can download the form from the USPS and go to your local branch to open an account. They will probably refer you to a Permit Mail specialist for the bar codes and formats for your printing.

Get the Layout Edited. You can visit the IARFC website for the complete article and text for nine sample cards. Go to the Members Only Area. Then click on Member news and Services, and you can access the file immediately.



Ed Morrow is the chairman and chief executive of the IARFC and he speaks frequently at national and international professional conferences on topics related to his practice experience — and enabling financial advisors to increase their sales production and client services through effective presentations and client relationship management. The IARFC is now training financial advisors in 19 countries.

In the photo to the left Ed was addressing 7,500 attendees of the MDRT Experience in Chiba, Japan, on the topic “Are You an Agent, an Advisor, or Both.”

**Contact: 800 666 1656 ext. 14
edm@iarfc.org
www.iarfc.org**

Card requesting general information

I'd Like More Information on the Following:

Retirement Planning Tax Planning Investment Planning

Other – Please Specify: _____

Name: _____

Street: _____

City: _____ ST: _____ Code: _____

Phone: _____ E-mail: _____

Card seeking a more detailed information request

I'd Like More Information on the Following:

<input type="checkbox"/> Retirement Planning Planning a secure income	<input type="checkbox"/> Education Funding Plans Higher Education Strategies	<input type="checkbox"/> Asset Allocation Diversification Components
<input type="checkbox"/> Risk Management Plans Protecting Family and Business	<input type="checkbox"/> Financial & Tax Planning Strategies for the Long-Term	<input type="checkbox"/> Investment Planning Specific Portfolio Decisions

Other – Please Specify: _____

Name: _____

Street: _____

City: _____ ST: _____ Code: _____

Phone: _____ E-mail: _____

Please contact me: by phone by mail in person

Card requesting nominees for your newsletters

Please Send Financial Services Information....

We hope you have found our financial information to be of interest and value. We would be pleased to add to our list any associates, friends or family you feel might appreciate receiving a complimentary subscription, at no obligation, of course.

Business Associate Personal Friend Family Member

Name: _____

Street: _____

City: _____ ST: _____ Code: _____

Please add, if known:

Phone: _____ E-mail: _____

Referred By:

Your Name: _____

Card for referral, implies you'll send data to the referred person

Please Send Financial Services Information to:

Name: _____

Street: _____

City: _____ ST: _____ Code: _____

Please add, if known:

Phone: _____ E-mail: _____

Referred By:

Your Name: _____

Card for mailings to business owners

I'd Like More Information on the Following:

<input type="checkbox"/> Retirement Planning Planning for a secure income	<input type="checkbox"/> Deferred Compensation Rewarding Key Executives	<input type="checkbox"/> Business Continuation Buy/Sell/Hold Strategies
<input type="checkbox"/> Business Risk Coverage Life, Disability and LTC plans	<input type="checkbox"/> Financial & Tax Planning Strategic Planning for Executives	<input type="checkbox"/> Business Valuation Accepted Pricing Formulas
<input type="checkbox"/> Qualified Plan Investment <input type="checkbox"/> Other – Please Specify: _____		

Name: _____

Street: _____

City: _____ ST: _____ Code: _____

Phone: _____ E-mail: _____

Please contact me: by phone by mail in person

Card to accompany seminar invitation

Yes, I'd like to attend your next session:

To be held on Month Day, Year at Location

Sorry, I can't attend, but please send me information on the topics mentioned.

Name: _____

Street: _____

City: _____ ST: _____ Code: _____

Phone: _____ E-mail: _____

Solicit more Public Speaking engagements

Are you looking for a Speaker?

Every year we contribute time to non-profit organizations for the benefit of their members by making a presentation on a financial topic of interest. This is often a 20 minute luncheon spot, but occasionally they like us to present a more in-depth workshop. Generally we use a PowerPoint presentation with our video projector and provide a convenient handout information package.

Please contact me about a possible presentation to the following group:

Name: _____

Phone: _____ E-mail: _____

Please contact me: Day time Evening

Solicit Newsletter Subscriptions

Give a Free Newsletter Subscription

Perhaps you would like to nominate someone to receive a complimentary subscription to our financial newsletter:

Name: _____

Street: _____

City: _____ ST: _____ Code: _____

Phone: _____ E-mail: _____

- | | | |
|---|---|-----------------------------------|
| <input type="checkbox"/> Business Associate | <input type="checkbox"/> Professional Advisor | <input type="checkbox"/> Friend |
| <input type="checkbox"/> Family Member | <input type="checkbox"/> Civic Associate | <input type="checkbox"/> Neighbor |

Nominated by: _____

Front Side - Sample Postcard



The image shows a sample layout for the front side of a Business Reply Mail postcard. It is enclosed in a rectangular border. At the top right, there are four vertical bars of varying heights. To their right is a rectangular box containing the text: "NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES". Below this box are seven thick horizontal bars. In the center-left, there is a rectangular box containing the text: "BUSINESS REPLY MAIL" in large bold letters, followed by "FIRST CLASS PERMIT NO. 555 CITY, STATE" in smaller letters. Below this box is the text "POSTAGE WILL BE PAID BY ADDRESSEE". Further down, the text "YOUR COMPANY NAME" is followed by three lines of address information: "Address Line", "Address Line", and "City, ST Special Zip Code". At the bottom center, there is a line of text: "Your Unique Delivery Bar Code Will Go Here".

This is an example of what the reverse or front side of your postcard will look like. The bar codes at the bottom are unique to your address or post office box.

The marks at the top and right side are also used for sorting. The exact format is available from your local Postmaster.

Note the unique 9 digit Zip Code used just for reply mail. It is different from the Zip Code that brings mail to your door or P.O. Box.

The reply envelope imprint design is similar, only the layout is more widely spaced.