

## Direct mailers finding new ways to prosper

Continued from Page 1

"I think they (the Free Press and the News) had a lot more duplication than they originally believed," he said.

Finally, Singer said local advertisers have little loyalty to the two major dailies. "It might have been different before I was here, but because of corporate ownership of the two dailies the retailers never had a good feeling about them because there's no local connection."

ADVO believes the two-weekly circulation will enable it to pick up more and different customers for its direct mail marketing, Singer said. "There's nothing I can really point to yet — we're seeing fast food, home improvement stores, department stores, furniture stores — but we won't really know for several months."

Singer said he doubts the Detroit Newspaper Agency (DNA), the body which now runs the two dailies, will sit quietly by and watch the direct mailers gobble up advertising dollars.

DNA officials wouldn't respond to phone calls.

"WE'VE ALREADY seen they (the DNA) are realigning their advertising zones and aggressively pricing (discounting) again," Singer said.

Twice weekly, direct mail advertising isn't the only option available to the direct mailers, however.

Bill Buczek and Don Duncan, co-owners of Val Pak direct mail, are launching a new venture this month called "Reach," a slick, four-color, 8 1/4 by 11 inches magazine advertising supplement.

The first edition of Reach will be 10 pages with future editions — roughly four each year — approximately the same length.

The magazine is an attempt to appeal to a wider advertiser base, Buczek said. Val Pak appeals to middle and small retailers who have a relatively small and localized customer base, but Reach will appeal to mass advertisers.

Reach will circulate to 900,000 homes in the metropolitan Detroit area. Val Pak circulates to 1.4 million homes.

"The Little Caesars, the Lenscrafters, the instant oil changes —

companies that want to reach the largest number of people want a different vehicle," he said.

REACH WILL be primarily a vehicle for coupon advertisements, but it will also have some display advertising, he said. The "magazine style" of Reach, he continued, will lend itself to people keeping the advertisements for a longer period of time.

Buczek also noted that people always read the mail, while they may tune out newspaper, television and radio advertisements.

Buczek said market demand was the prime reason for starting the magazine — a concept that has been successful in other areas of the country.

"People are still looking for low-cost, saturation advertising," he said.

The Detroit News-Detroit Free Press joint operating agreement, he added, eliminated the largest low-cost, saturation advertising avenue.

"The JOA was a bonus more than anything we were counting on," he said.

Reach would have been started regardless of the JOA happening or not.

THE JOA, however, does provide an ideal set of circumstances for the new publication's launching.

"We knew it was only a matter of time before the JOA, so we were prepared for it when it came," Buczek said.

Advertisers in the first edition will appear in all 900,000 magazines, Buczek said, but future editions will allow advertisers to appear in zones.

"We'll probably have an Oakland edition, a Wayne edition and a Macomb edition, and we may even have a few more."

Buczek noted that while the prime goal of Reach is to provide saturation advertising, the trend in marketing is toward targeting.

Targeting various markets with smaller press runs will allow the magazine more flexibility, he continued. North Oakland County, for example, may not need a magazine with Ann Arbor businesses so some pages can be devoted to local advertising and others can be reserved for advertisers who wish to reach a mass market.

## Postal rate hikes worry mailers

Continued from Page 1

rate raises for letters and flats; new drop ship rates to differentiate rates by distance; a discount for saturation mail presented in walk sequence; and discounts for basic and three-digit mail.

The postal rate changes are necessary to ensure the postal service continues to break even, not to generate a profit, Gillespie said.

Postal rate increases have exceeded inflation, she said, but postal service expenses — which are approximately 83 percent labor — also have exceeded inflation.

The U.S. Postal Service had a \$1.8 billion deficit in 1989.

The real issue is not the impact, but the rate increase itself, said DelPinto. "Are they doing all they can with the money they're getting?"

DelPinto said the rate changes will result in \$7.4 billion dollars in increased revenues with \$1.66 bil-

lion going to a "contingency reserve" to cover for unforeseen events.

"If your reserve is almost 25 percent of a rate increase, there's got to be some questions," DelPinto said.

Gillespie said the agency doesn't always get what it asks for. Rate changes are proposed to the Postal Rate Commission (PRC) which has up to 10 months to review the changes.

After review, the PRC makes a recommendation to the U.S. Postal Service Board of Governors which can approve reject or modify the rate changes, Gillespie said.

"We are in the unfortunate position of not setting our own rates and we don't receive subsidies from the federal government," she said.

DelPinto noted the rate increase is being requested for the postal service's budget that begins

in October 1991. "The rate increase, however, will go into effect in January 1991. We think there's room for some balance there — where's the economic justification for that?"

ZIP CODE change impacts are also difficult to gauge, Joliet said. Simply changing ZIP code numbers would hardly impact the direct mailers, but changing ZIP code boundaries could have a real impact. "It all depends on what they do," he said.

Direct mailers have developed marketing strategies based on where people live in relation to ZIP codes, he said, and a change in the boundaries will require new marketing studies.

Adapting to changing ZIP codes will not impact the industry as much as the cost increases, because mailing lists are updated fairly regularly regardless of ZIP code changes.

It is possible the changes could even be helpful if identifying certain target audiences is easier with the changes, Joliet added. "They were going to have to do something to adjust to the population anyway."

Gillespie said business mailers should experience little difficulty adapting to the changes as major direct mailers compile lists approximately every three months.

"Normally, we charge them for the service, but we'll provide them with the new ZIP codes and addresses free of charge," she said.

Direct mailers may have to do some new demographic studies to find the "higher profile" ZIP codes, she continued, but most changes will respect previous ZIP code boundaries.

"A lot of the new ZIP code boundaries will be the result of splitting larger areas into smaller ones," she said.

## business people

Gina Deriel Greer was promoted to account supervisor at Michael Flora & Associates, Troy. Greer joined Flora in 1987 as senior account executive.

Michael L. Lencione of Farmington, S. Allen Early III of Bloomfield Hills and Gregory V. DiCenso of Lathrup Village have become partners in the statewide law firm of Miller, Canfield, Paddock and Stone. Lencione joined Miller Canfield in 1982 as an associate; Early joined in 1986 as senior attorney; and DiCenso joined in 1984 as an associate.

The following people have been named to new positions at MetLife bank in Farmington Hills. They are: Gerald G. Wasen to senior vice president; Michael K. McMin to vice president and cashier; and Joan L. Taylor to vice president.

Joseph M. Mankvitz was honored as one of the top-producing sales associates in the Century 21 International system. Mankvitz is sales associate at Century 21 Old Orchard in West Bloomfield.

Michael Gilbard was appointed

the Midwest regional director of corporate finance at BDO Seidman in Troy. Gilbard was previously chairman and chief executive officer of Firm One Inc.

Ellen Murphy and Suzanne Parran were honored for productivity and customer service during the AAA annual Travel Ambassadors award

ceremony. Murphy and Parran are employees at the AAA Travel Agencies Birmingham office.

Christopher E. Arkell of Birmingham was appointed account executive at Kane and Kane Inc. in Birmingham. Prior to joining Kane and Kane, Arkell was with Wells, Rich, Greene Detroit Inc. as an account executive.

### LOW MONTHLY PAYMENTS

Isn't that what you really want in a home equity loan?

Loan Amount: \$25,000	MONTHLY PAYMENT	ANNUAL PERCENTAGE RATE	FEES
INSTITUTION			
GANIS HOME LOANS	\$299.88	11.99%	NONE
National Bank of Detroit	\$369.60	12.75%	Waived
Michigan National Bank	\$371.60	13.00%	YES
Manufacturers Bank	\$373.28	13.00%	YES
Standard Federal	\$380.69	13.53%	YES

A recent comparison (3/19/90) of local lending institutions provided the above results for a \$25,000 Home Equity Loan. The monthly payments are for each lender's minimum term and lowest available rate for the loan amount. Loan amounts and terms may vary. GANIS — 180 months, 1800 Manufacturers and Standard Federal — 120 months, 1200; Michigan National — 60 months, 600; National Bank of Detroit — 120 months, 1200.

**GANIS HOME LOANS**  
300 Park Street, Suite 210  
Birmingham, AL 35209  
313/647-3080

Don't go to your bank and pay more than you have to. We'll come to your home or office (evenings & weekends, too) to arrange your loan. And you'll pay less.

### DETROIT-DETROIT AWNINGS

THU • ROCHESTER  
524-0550  
MOUNT CLEMENS  
792-3200  
NEW • FARMINGTON  
442-0101  
JAY OH • WYANDOTTE  
284-7779  
WAYNE • WESTLAND  
721-2100  
3927 Fourth St.  
Wayne, MI 48184

### MARCH DISCOUNT 25% OFF AWNINGS

### GET OUT OF THE DARK

The Comprehensive Information Catalog will help you with the purchase of consumer information. It's time by saving.

Consumer Information Center  
Dept. 10, Pueblo, Colorado 81009

### LOSE YOUR BOAT WELL BECAUSE OF LOW WATER?

Gregory Boat Company since 1966 has deep water wells and canals minutes from Lake St. Clair at the Deep End, near Island's, St. Aubin Marina Park and the new Shoppers. Gregory also offers 48 50' private enclosed boat houses (6 bays, 10 bays) on the starting line of the 75m Gold Cup and rock storage for boats up to 40 feet.

So come to Gregory Boat Company where fun and water are in abundance. And if you need a boat to fill your new well, check out the Stars of the Cobo Hall Boat Show, The 1990 Cruisers, Inc. and the great buys on brokered and used boats.

**GREGORY BOAT COMPANY** SINCE 1966  
9666 E. JEFFERSON  
DETROIT, MI 48214  
**823-1903**

## Seventh Annual Michigan Wildlife Art Festival

### MARCH 23-25, 1990

Southfield Pavilion & Radisson Plaza Hotel  
(Evergreen Road, north of 10 Mile)

**FESTIVAL HOURS:**  
Friday: 11 AM-9 PM  
Saturday: 10 AM-9 PM  
Sunday: 11 AM-6 PM

**ADMISSION:**  
\$5.00 Adults  
\$3.00 Senior Citizens/  
Students  
(Children under 5 free)

### HERE THEY COME... the best wildlife artists in the country.

The Midwest's largest wildlife art exhibit and sale—ever.

#### SOUTHFIELD PAVILION

- Paintings
- Photography
- Limited Edition Prints
- Scratchboard
- Etchings
- Wildlife Miniatures '90
- Silent Auction
- People's Choice Award
- Featured Artist—Russell Cobane, Clarkston
- 1990-91 Federal Duck Stamp Winner—Jim Hautman, Plymouth, MN
- Special Guest Artist—Jim Killen, Owatonna, MN

#### AT THE RADISSON

Wildlife in 3-Dimensions

- Carvings
- Bronzes
- Clay Sculptures
- Cast Porcelains
- Assemblage
- Taxidermy
- Decoy Painting Contest
- ...and
- Earth Day Information
- Conservation exhibits and organizations
- Cranbrook Institute High School Wildlife Art Contest
- Outdoor Writers Association of America Photo Contest Winners
- Finalists in the 1990 Federal Duck Stamp Competition
- New Wildlife Seminar Series

Sponsored by:  
**The Michigan Wildlife Habitat Foundation**  
City of Southfield

For more Festival Information call (517) 882-3630 or (313) 353-6634

## NOVA

### FABULOUS TIFFANY-STYLE FIXTURES BEYOND DESCRIPTION, WITHIN REACH!

INTRICATELY CRAFTED GLASS IN AN ARRAY OF DAZZLING COLORS

FIXTURES COME READY TO HANG.

OUR ENTIRE IN-STOCK COLLECTION OF TIFFANY FIXTURES NOW ON SALE AT ENTICING PRICES.

FROM NOVA AND BROSE — A GREAT SELECTION OF SIZES, STYLES AND MOTIFS — EACH UNIQUE IN THE TRADITION THAT IS DISTINCTLY — **TIFFANY** VISIT OUR BEAUTIFUL SHOWROOM.

### 10% OFF

Our Already Discounted  
**40%-50% OFF PRICES**  
Prices start at \$4300

SALE LASTS 10 DAYS ONLY

Lighting Fixtures For Every Decor • Wiring Supplies and Light Bulbs

**BROSE ELECTRICAL CONSTRUCTION, INC.**

37400 W. 7 MILE ROAD  
LYONNA, MI 48152 • (313) 464-2211

MON. TUES. WED. SAT. 9:30-6:00  
THURS. FRI. 9:30-8:00