

»» Our continuing coverage of Eagle Award Winners. This month's space is for the End User Award of Excellence.

2004 Award of Excellence: Kinder Morgan, Inc. Is Not Your Typical Direct Marketer.

BY SHANNON WALKER-LEMBKE

KINDER MORGAN

When it comes to putting direct marketing know-how

to work, few companies measure up to Kinder Morgan. While a gas utility company isn't the type of business that first comes to mind when considering direct mail, Kinder Morgan uses direct mail as a key part of its overall communication and marketing strategy.

Nationally, Kinder Morgan is one of the largest energy transportation and storage companies, operating more than 35,000 miles of natural gas and products pipeline. Denver is home to the organization's Retail Division and provides natural gas utility services across Wyoming, Nebraska and Colorado. This division works with a wide range of local direct marketing vendors who help the company communicate regularly with its vast customer base. Utility company customer databases are notoriously difficult to keep accurate and clean. But, this company's insistence on database accuracy, has led to the development of a direct mail operation that is a smooth running machine and a model for the industry. That's why Kinder Morgan was awarded the Eagle Award of Excellence.

RMDMA member Debbie Williams is the manager for Advertising and Marketing at Kinder Morgan, Inc. in Lakewood. Debbie might be familiar to you. She was awarded the RMDMA Eagle Award for Creative Person of the Year. Debbie's direct mail experience as a copywriter and graphic designer may explain, to some extent, Kinder Morgan's use of direct mail.

Kinder Morgan uses direct mail for communicating with its current customers about products they offer, such as high-efficiency gas furnaces, their CAPP appliance protection plan, and other maintenance and repair services they offer. They also have several thousand agricultural customers in Nebraska that receive mailings regarding natural gas irrigation engine sales and service.

Debbie plans to continue to promote Kinder Morgan through direct mail. "Our company is growing in Colorado and is offering new gas service in areas that have not had that option before, so

we've done a few small mailings into those areas to educate consumers about natural gas and convert them from propane or electricity."

Additionally, Kinder Morgan's service areas in Wyoming and Nebraska have been unbundled—meaning that customers have a choice of gas suppliers—so their two biggest mailings are during the Choice Gas selection period. "One is the Choice Gas selection packet, the other is about pricing options available from our marketing affiliate division, KM Choice Gas Supply (KMCGS)," explained Debbie.

Kinder Morgan finds direct mail most effective with existing customers. When you already have a relationship, they are more likely to take the time to see what you have to say.

Kinder Morgan's biggest competition comes from other fuels. "Our challenge is to educate consumers of the advantages of natural gas furnaces, water heaters, ranges and fireplaces," says Debbie. While the product Kinder Morgan is selling is not the usual fare, Debbie points out there are many similarities. "We use postcards, self-mailers and letter mailings to reach our customers, so the mailing requirements are the same as traditional mailers, no matter what the product is that's being sold."

How does Kinder Morgan decide when direct mail is the right approach to reach its audience? According to Debbie, "It really depends on what we're offering and if it is something that is in a specific market area, or for all of our gas customers. Usually if it's a message for all of our gas customers, we'll use a bill insert, newsletter, radio spot or newspaper ad instead of direct mail. If it's something for one area or one group of customers, then we'll do a mailing to target them specifically."

You really can sell anything using direct mail. The keys to success—even when your product isn't a typical mail order item—are still thorough preparation, having the right list, and knowing your prospect. What out-of-the-ordinary product can you think of to sell with direct mail? ☐

for the March 1st Workshop & Luncheon!