Direct Marketing

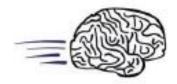
Updated August 28, 2018

Direct Marketing is any direct communication designed to

generate an immediate response:

- Order
 - Lead
- Traffic for a Business

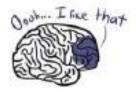
How do We Process Print vs. Digital?



Participants processed digital ad content more quickly.



They spent more time with physical ads.



Physical ads triggered activity in a part of the ain that corresponds with value and desirability.



Participants had a stronger emotional response to physical ads and remembered them better.

The direct mail campaigns required

21%

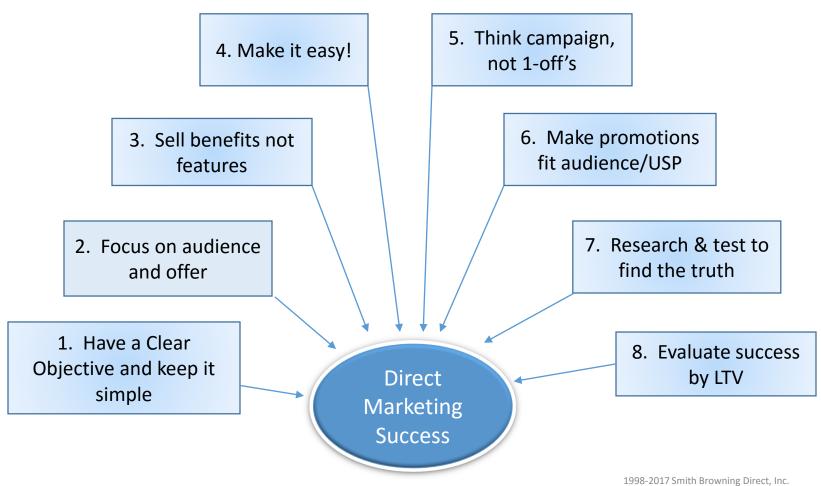
less
cognitive effort to process.

70%
higher
If they were exposed to direct mail rather than a digital ad.

Activation in parts of the brain that correspond to motivation response was 20% higher

Source: A Bias for Action: The neuroscience behind the responsedriving power of direct mail, Canada Post, July 31, 2015

8 Principles for Successful Direct Marketing



Principal #1: Establish your Objective

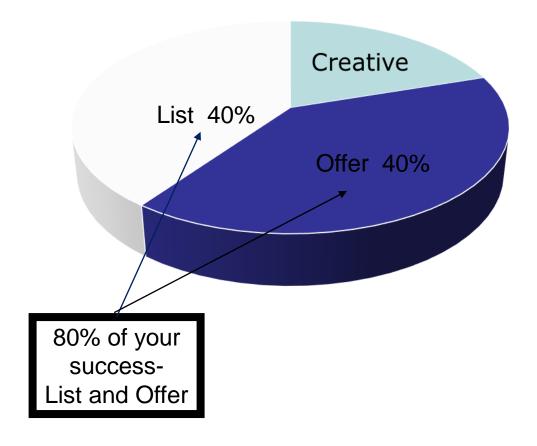
- ❖ Need More Customers?
 - ❖ How do I get more?
 - ❖Strong Offer FREE is Best
 - Customer Retention –don't make it more attractive to be a prospect vs. customer
 - *Referrals
- ❖ More Purchases
 - Cross-sell related programs/products
 - Customer Loyalty/Share of Wallet
 - Credit Card that offers 50,000 bonus miles with certain \$\$ spend.
- Larger Purchases
 - ❖Bundle Offers 1 piece \$50; 3 piece \$100
 - ❖Gift with Purchase
 - Free Shipping
 - Extended Warranty

Principle #2:

Make the RIGHT offer to the RIGHT audience at the RIGHT time

The Foundation of Direct Marketing

- 1. The *list* or *audience* you target
- 2. The *offer* or proposition you make
- 3. The *creative execution* you choose



A great offer sent to the wrong audience is still a failure.

DnB Bank – Savings

Awards: Epica Gold, Eurobest Silver and Cannes Lions



Principle #3: Write copy to show what your product will do for the prospect

- Features vs. Benefits
- WITFM What's in it for me?
- www.Similarweb.com (see what you're doing vs your competition)

Principle #4: The Customer Experience Must be Easy

- Be ready for responses in all channels. Don't eliminate those that prefer one channel over another by not offering (i.e. people who like to talk wont respond via web)
- "As seen on TV" common images throughout the campaign





Unlimited Rewards

View important rates and disclosures

Get unlimited 1.5% cash back on every purchase with no limit on how much you can earn, and no changing categories



\$100 Cash Bonus

Earn a one-time bonus of \$100 once you spend \$500 on purchases within the first 3 months.1



QUICKSILVER

Apply Now

Redeem Your Way

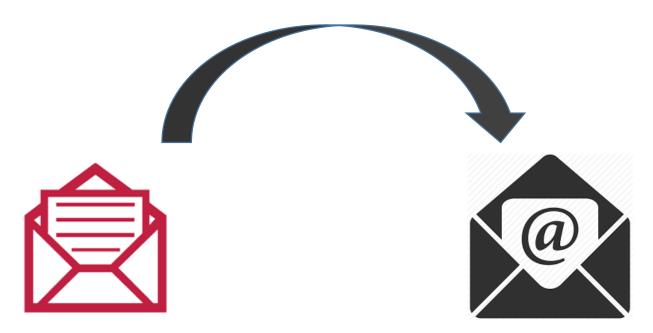
Rewards don't expire, and you can redeem your cash back for any amount, anytime

Principle #5: Think Campaign, Not 1-off's

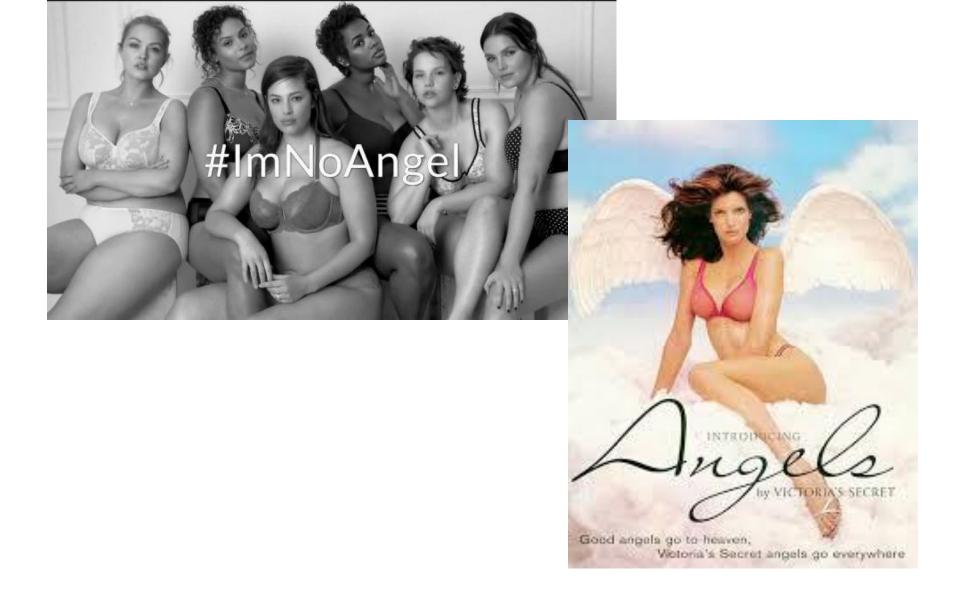
- NO 1 perfect Moment –plan multi-channel
- NO 1 perfect Channel –give multiple options
 - ❖ Respond via DM visual responder
 - ❖ Respond via Online auditory responder

2/3rd of why someone opens mail is because they recognize sender

Average Direct Mail achieves 3.7% response with House List and 1% with Prospect 1-1.5% of your mailing list is incorrect/suppression



Principle #6: Your Promotions must fit your USP; audience and your product



Principle #7: Research & Test

- Percentage off does better with lower ticket items.
- 1st time purchase is a test. 2-time buyer is buying with knowledge.
- DM Response Rate -4 Factors
 - Audience/List
 - Prospects vs. Customer
 - Customer Offer 5-20% higher response vs. Prospect
 - Offer & Creative
 - Does your creative match customer?
 - Medium
 - Telemarketing, DM, email on rise. Email is flooded-takes more to stand out
 - Seasonality
 - Response can flux 10-50% by season

Principle #8: Place Effort in Customer Lifetime Value (CLV)

Retention Factors

Audience

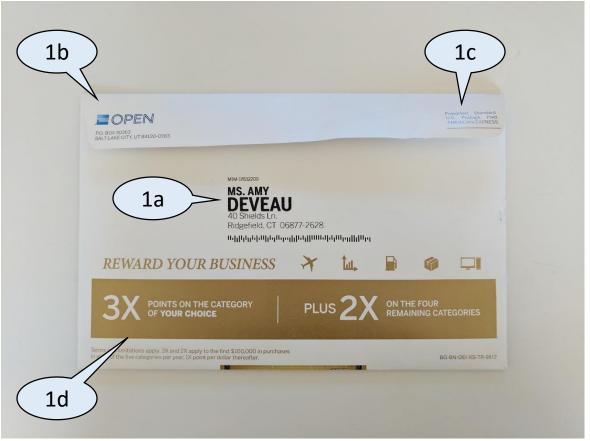
- Age 50+ better retention –they are more loyal, don't shop around
- Age 30-40 Less –seek variety
- Rural more loyal than urban

Offer

- If you lower price = price conscious buyer
- Channel that brought them in the door
 - Direct Mail has better retention than Digital
- New Customer –make the onboarding experience easy, positive

Getting to Consideration...

1a-d <u>First Impression</u>:2-4 seconds Toss orOpen?



- 2. Validation: 15-20 second scan IF opened
- 3. Consideration: Will more thoroughly review contents **IF** validation expectations are met

4 Proven Creative Platforms: Engaging the Customer!

- Availability
 - What you do have that I cant get from anyone else?
- Authority -Why should I believe what you say just because you say it?
 - Power of Proof
 - Testimonials
- **Value** *Not just Price*
 - Is the product or service worth the money you want me to pay?
 - What can you do for me?
- Satisfaction
- Do you keep your promise?
- Are you difficult to do business with? (i.e. free returns/free shipping)

1. Availability







2. Testimonials -Others Speaking on your behalf. Backing your Claims

weightwatchers

PRODUCTS & SERVICES

WHAT CAN I EAT

I'm ready. Are you?

Come join me!
-Oprah
Read the news
See our offerings

What is more Powerful?

- 1. Celebrities
- 2. Experts (Magazine, Consumer Group)
- 3. People You Relate to



3. Value – More than Price

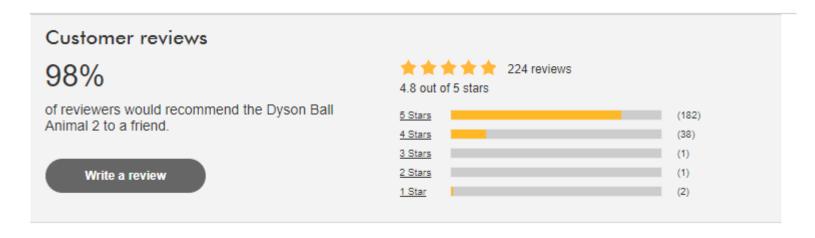
- Is the product or service worth the \$\$\$ you want me to spend on it?
- Translate the Features into Benefits

Features	Benefits
More Power for Tough Tasks	
Self Adjusting Cleaner Head	
Whole Machine HEPA Filtration	
Strongest Suction	



4. Satisfaction

- Do you keep your promises?
- Will I regret this decision?
- Are you easy to conduct business with?





Checklist of proven B-to-B offers

- » Information
 - Free Trial
 - White paper
 - Guide
 - Newsletter
 - Article
 - Online video/podcast
 - Demo
 - Consultation
 - Seminar
- » Premium
- » Sample/"test drive"
- » Free shipping/handling

- » Extended trial period
- » Extended Guarantee
- » Sweepstakes/contest
- » Free installation
- » Continuity/replenishment
- » Self-assessment tool
- » Seminar or webinar
- » Demonstration
- » Discount
- » Free lunch
- » Consultation or audit

What's Your Strategy? • There's something of value inside

- - Free Gift
 - Premium
- Curiosity: tied to self interest
- Copy Promise
 - Limited Time, Best Value
- Positive Anticipation
 - Prospect/Customer has positive feels about Company
- Physical Involvement
 - Lumpy & Bumpy



Direct Mail Package Checklist

- Compelling reason to open the envelope, or just advertise?
 - Is the postage, teaser, "look" of the mailer consistent with the offer/audience?
 - Marketing Mail Indicia vs First Class Stamp
 - Would a 20 sec review of the package make the prospect want more?
 - Do the Key Benefits jump out, or did we just provide a laundry list of features?
 - Right typography and layout choices for maximum comprehension?
 - Reversed out type is difficult to comprehend
 - Do I need an insert?
 - Have I made it interesting/compelling?

Direct Mail Targeting the Audience



Rethink Your Focus...

From		То
Time to print	——	Time to market
Cost per page		True cost of ownership
Just in case	→	Just in time
Reach the masses	→	Capture the individual
Print volume	→	Print value
Customer Reactive		Customer Proactive
Cost of the job		Results of the program

