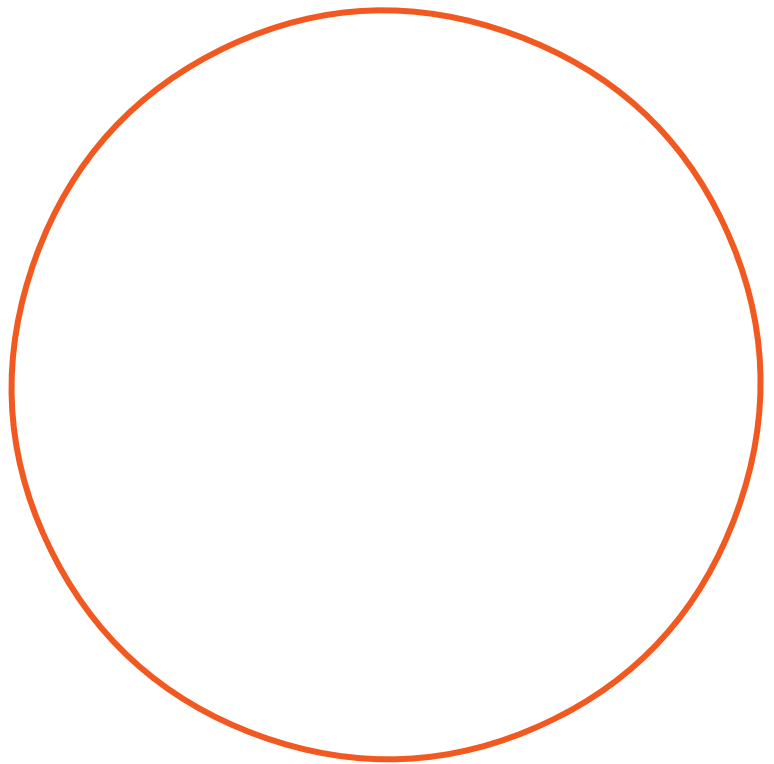


How to make a significant and measurable contribution to the sales and marketing success of your business. **A guide to Direct Marketing**



# Why be general when you can be tailored?

In so many areas, having something that is bespoke and designed to fulfil your personal needs is viewed as being a good thing. In fact, often you will pay a premium for it. So why, when it comes to marketing your business, do so many people revert to a 'one size fits all' approach?

Direct Marketing can be a key element of every business's marketing strategy. It enables you to offer goods and services to specific, targeted groups of people. It is one of the most effective and measurable methods of marketing available whether your customers are consumers or businesses.

The purpose of this guide is not to tell you everything there is to know about direct marketing, but to give you a flavour of how it can be used. I also hope I can demystify some of the jargon and principles and that you find some useful hints and tips that can have a positive impact on your business's marketing activity.

Alison Clynes  
Kinetic Marketing & Design

For more information on how direct marketing can help your business,

Contact Alison Clynes

call: **01472 269 016**

email: [alison@kineticadvertising.co.uk](mailto:alison@kineticadvertising.co.uk)

visit: [www.kineticadvertising.co.uk](http://www.kineticadvertising.co.uk)

# What is direct marketing and how can it help my business?

The Institute of Direct Marketing defines it as...

*“The fusion of creative thinking with customer knowledge and the latest technologies to generate customised communications and business solutions across a mix of media”*

So what makes direct marketing different from 'normal' marketing?

- It is driven by data
- It seeks to use the information it knows about its prospects and customers to target its activity
- It is personal and relevant not mass market
- It asks for a response – request for information, visit website, call and order, make appointment etc.
- The results are measurable
- It can be tested
- It can be linked back to return on investment

I like to think of direct marketing as an approach or way of thinking. Like a good salesman, Direct Marketing seeks to find out as much as possible about a person or business and then uses that knowledge to promote a product or business in a way that will be relevant and appealing.

## top tip

Don't forget your existing customers when you do a new business promotion. If an offer is going to prospects, consider contacting your customers before it goes out and giving them a 'sneak preview' and chance to take up the offer

# Why should I use Direct Marketing?

There are a number of benefits that Direct Marketing has over more general or mass marketing activity

- It is highly **targetable** allowing you to locate your best prospects and focus efforts, and budget, on those most likely to buy. My philosophy is always to go for the 'low hanging fruit'. Don't make it difficult for yourself by marketing to people who are not predisposed to your product or service
- It delivers a more **personal and relevant** message or offer so is more likely to be noticed and acted upon
- It is **measurable**. Because you are asking for a response you can measure that response and know which activity worked best. This allows you to test creative, offers and even pricing and have definitive answers about which ones work the best.
- It is **accountable**. By tracking response through to sales you can calculate exactly how much money you are getting back for every marketing £ you spend

## top tip

If in doubt with regards to a direct marketing activity ask yourself ...  
is it timely, personal and relevant?  
If you can answer 'yes' to these you should have an effective direct marketing piece

# How do I know if Direct Marketing is for me?

You may not have a sophisticated database or mail order operation, but direct marketing can be used by ALL types of business. If you think of it as a process it is easier to see how you can apply it to your own business.



This approach of finding out what your customers want, understanding the type of customer who is buying from you loyally and then marketing to them with something that fulfils that need, is not rocket science. It should be the approach that all businesses take, but so often it isn't.

Although things like data and results are an important part of direct marketing, at the heart of the activity is the customer.

# How can I find my 'hot prospects'?

In marketing terms, a prospect is a person or business that you do not currently do business with.

There may be instances where you are trying to target a new type of customer such as the launch of new product or entrance into a new market, but largely your prospects should have a similar profile to your existing customers. Your prospects are not 'every man and his dog'. It is a mistake I have seen repeated again and again. Businesses try and appeal to everyone in case they miss an opportunity but end up wasting a lot of money targeting people who are never going to be interested.

## So where do you start?

- Look to your current best customers. What you want is to find more of the same as you know there is a good fit between your product and their needs
- Find out what similarities these customers have and build a profile of them. Are there any similarities of age, income, geography or even attitude that are present in this group?

You may have to do some research to find this out, or if you have a customer database of at least 10,000 records, you can get it profiled by an external company.

- Do you know why they are buying from you? Is it price, convenience, service or something else less tangible such as prestige or aspiration?

Direct Marketing is all about RELEVANCE so the more you know about a prospect or customer, the better you can market to them.

## top tip

If you are retailer wanting to increase footfall, consider direct mailing prospects who match the profile of your best customers with a discount voucher for a limited time offer (Weekend Blitz)

# How can I be more relevant?

Once you understand the characteristics of your prospects you can use this knowledge to decide –

- What media to select?
- What offer to give?
- What will be the most persuasive messages?

The principle of direct marketing is that you communicate differently with different types of customers, whether they are prospects, customers, top customers or even lapsed customers. This is where direct marketing is different from above-the-line marketing that is striving towards a consistency of message in order to increase awareness and build a brand.

It makes sense to most businesses. What you would say to a real advocate of your product or brand in order to gain a repeat purchase is going to be very different to what you would say if you were trying to persuade a lapsed customer to give your business another go.

## 3 easy steps

1. Put yourself in the state of mind of each group of customers
2. Decide what you want them to do? Up-sell to a more expensive product? Try you out for the first time? Increase the frequency of their purchases with you?
3. Consider what would be the most effective thing you say to persuade them. Special offers? Introductory discounts? Valued customer promotions? Or sometimes all you need to do is to contact them and tell them how great you are!

## top tip

Take every opportunity to see first hand what your customers are like. Walk the sales floor. Listen in on your call centre. Accompany a sales person. Do some mystery shopping to see what the true customer experience is. It all helps to increase your empathy with the customers and make your marketing more relevant

# How do I choose the best media for my campaign?

There are broadly two main categories of advertising media –

1. **Mass Media** – such as television, radio, outdoor (billboards, bus shelters etc) newspapers and magazines
2. **Targeted Media** - such as direct mail, specialist press, telephone and online

There is no such thing as one media that is intrinsically better than another. They all have their strengths and weaknesses. But, depending on your type of business, who you are trying to target and what you are trying to achieve, certain media will be better suited to achieving your objectives than others.

With the growth in telecom and IT technology, direct marketing can now use all types of media.

# What shall I say in my campaign?

Any effective communication needs a structure and the best structure to use for Direct Marketing is AIDCA. It is the basic structure taught on selling and telephone skills courses everywhere:

How AIDCA is represented will depend largely on the media or even the combination of media. For example, a high impact direct mail piece may do the 'AID' - grab attention, create interest and even go as far as developing the desire - but it may be left to the follow-up telephone call to handle the 'CA' - direct discussion to instil conviction as well as handling the call-to-action.

**A = Attention** - make an impact, grab your reader's attention

**I = Interest** - present your proposition

**D = Desire** - build up the benefits and introduce offers

**C = Conviction** - overcome doubts and objections with proof

**A = Action** - call-to-action with incentives if necessary.

# Some help to make your media choice...

Media	Pros	Cons	Tip
<b>Direct Mail</b> Personally addressed communication to a named recipient delivered by the Royal Mail	Extremely personal (addressed) Larger space allows you to include more content to sell your product or service Ability to be highly relevant and personal High response rates	Expensive as there are list, print, fulfilment and postage costs on top of creative If it is not targeted well it can be very intrusive and viewed as 'junk mail' Long lead times	Don't underestimate the importance of the data in a direct mail campaign. Make sure it is well targeted, up to date and has been deduplicated with your existing customer files. Your choice of data will have the biggest impact on the success of your direct mail campaign
<b>Inserts</b> Leaflets or cards enclosed in newspapers and magazines	Much more responsive than a full page ad in the same publication Attract attention and are easy to respond to Allow more creative space and format Allows for easy testing of alternative creative treatments and offers	3 - 5 times more expensive than buying advertising space Longer lead times Some publications are getting very 'insert heavy'	Inserts don't just have to be postcards and A5 fliers. Most publications can take multi page inserts so why not put in a mini brochure that is selling product direct. In that way, every response is an order not just a lead or enquiry
<b>National Press</b> Newspapers and national general interest magazines including weekend colour supplements	High circulation so achieve high volume reach Space advertising can often be bought on last minute basis getting a good rate Clever placement near relevant editorial can help boost response	Are not very targeted so there is often a great deal of wastage Space to creatively promote your business is limited Low response rates to direct response advertising Increasing the size of the ad does not correlate with an increase in response rate	Look at using an advertorial style advertisement where you make your promotion look like an article or piece of editorial from the magazine. This makes your product seem to be approved by the magazine and can have an uplift on response rates
<b>Specialist Press</b> Magazines aimed at specialist interest groups of consumers or trade sectors	Highly targeted readership Long lifetime as often hang around for a long time Pass on copies and readership	More expensive than national press Long lead times Will often be advertising with all your competitors	Specialist press titles are far more flexible in terms of format than national magazines. You can often negotiate (at a price) doing a cover wrap (wrapping your ad around the full cover of the mag) a belly band (strip around the magazine) or cover mounting a CD.
<b>Direct Response TV</b> Regional or national television advertising with a direct response number to call. Often placed in low viewer slots and stations such as daytime and digital channels	Large audiences so volume opportunities Ability to be targeted on some digital channels Very rapid response so can make changes based on performance High profile so also helps awareness of brand or business	Large overall cost (despite low cost per viewer) due to volume of audience Quite a bit of wastage Short life span Low quality of response	Unlike brand advertising where you seek to place your advertising in the highest viewed ad breaks with DRTV you often choose lower audience and often poorer quality programmes. The reason? Firstly to manage the calls coming in and secondly, people need to be willing to miss their programme while they are on the phone ordering from your business
<b>Direct Response Radio</b> Local, regional or national radio advertising with a direct response telephone number to call. Used for awareness advertising and lead generation.	Surprisingly affordable Excellent for promoting local businesses (especially retail) Fast turnaround and rapid responses Prestige of 'being on the radio'	Has very short lifespan and boredom threshold Stations are not very targeted so is a lot of wastage Is not good at conveying complex messages Requires very memorable number / web address or location as listeners are often 'on the move'	DR Radio works particularly well in conjunction with other media such as direct mail or outdoor (billboards etc.) The 'Halo Effect' of using radio alongside other media can often substantially increase your response rates to all media in the campaign
<b>Email</b> Promotional messages sent by email	Fast Cheap Can be incredibly targeted Is effective for keeping in contact with current customers	Due to low cost is often used in a 'blanket' email form Can be viewed as spam Is less effective for lead generation or new customer recruitment	Email was heralded as being the 'death of direct mail' because it overcame many of its drawbacks such as high cost and long lead times. Just because it is cheap, however, do not fall into the trap of blitzing everyone with your email because it is so cheap you 'may as well'. Email gives you the ability to be extremely targeted and relevant to very small populations of people. Don't miss this opportunity!

# Top tips for Creating Effective Direct Marketing messages

**Consider what state of mind the person who is receiving or viewing the campaign will be in.**

Will it be a direct mail pack addressed to their work or an ad in their Sunday magazine? Are they likely to have heard of you or be looking to buy?

**Use any information you have about them to be relevant.**

With direct mail especially you often know a great deal about the person you are contacting – location, gender, even income. If you've purchased the list from a lifestyle database you can also select by product preferences and hobbies and interests. If you are contact customers you know that they have bought, whether they buy regularly or have lapsed.

**Personalise the communication with the information you know about the person**

A word of warning, make sure you are confident in your information as inaccurate personalisation is disastrous.

**Talk about benefits not features.**

How will your product or service save money, time, stress or solve a problem or need?

**Make an offer**

In order to get a response you will need to overcome the natural inertia and tendency that everyone has to put things to one side 'to deal

with later'. That is where an offer comes in, it could be a discount, freebie, free P&P or limited offer price.

**Give a deadline**

Again to overcome that inertia, place a deadline (not more than 14 days) on your offer or promotion. You can always contact them again to extend the deadline or advise them it is about to expire.

**Provide reassurance**

If you are asking for people to buy something from you direct you need to give them some reassurance. Think about how you can not only substantiate any claims you are making but also take away some of the risk to the customer of purchasing. Classic reassurance techniques include the use of testimonials, case studies, research statistics, client lists, guarantees and warranties. But even some small things like including a picture of your office or premises can help allay fears that you are a 'fly-by-night' operation.

**Tell them what to do next**

It might sound obvious but if you want your prospect to log onto a website, call a telephone number to order a product or visit a store to cash in their discount voucher, then tell them. And then tell them again. Make sure your call to action is clear and prominent and if it is a direct mail piece then repeat it a number of times.

# And finally...

- **Deal with the response**

Be ready to cope with the responses. You can handle this yourself or get an external supplier to do it for you. Make sure you get further information and orders out in good time. Check the basics too. Do you have enough phone lines to handle the calls you'll get?

- **Measure your success**

The final step is to work out how successful your campaign has been. This is vital as it will help you improve next time. Compare the outcome against your original aims. What was the response rate like? If you've gained new customers, how much did each one cost? Use codes for each activity that the responder has to quote so you can look at which specific ads or media worked. The winners form the basis of your next campaign and you will cut out the activity that didn't perform so well.

## Useful Links

**Direct Marketing Association**  
[www.dma.org.uk](http://www.dma.org.uk)

**CAP (Committee of Advertising Practice)**  
[www.cap.org.uk](http://www.cap.org.uk)

**E-Mail Marketing regulations**  
[www.informationcommissioner.gov.uk](http://www.informationcommissioner.gov.uk)

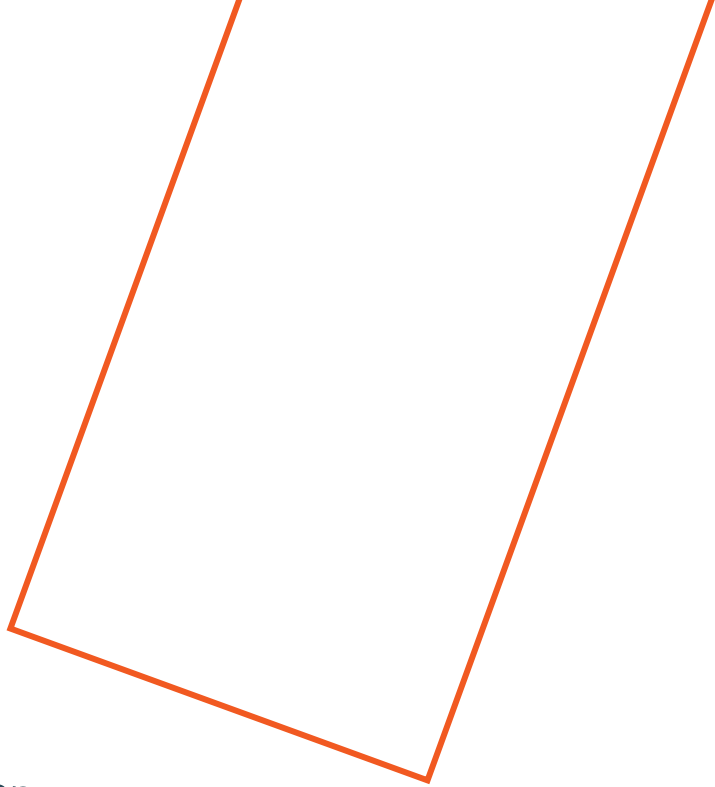
Comprehensive guidance is available from the Information Commissioner's website. From the home page, click on 'For Tools and Resources', then 'Document Library', then 'Privacy and Electronic Communications', then (in the middle of the screen, under 'Detailed specialist guides') PECR guidance for marketers.

## Preference services

Links to the Mail, Telephone, Baby, Fax Preference Services (MPS, TPS, FPS, BabyMPS) are at the top right on the DMA's home page.

## top tip

There are many regulations, especially around data protection, that you need to be aware of when running direct marketing campaigns. You can download a Data Protection best practice guide on the DMA website. Look for the Best Practice link under the heading 'Intelligence'. And it is also worth being aware of the British Code of Advertising, Sales Promotion and Direct Marketing (or the CAP Code) which is available on the CAP website



Energy Portal: Kinetic energy is the energy by virtue of the motion of an object. It is defined as the work needed to accelerate a body from rest to its current velocity. Having gained this energy during its acceleration, the body maintains this kinetic energy unless its speed changes. Negative work of the same magnitude would be required to return the body to a state of rest from that velocity.

Kinetic: getting your business moving

Contact Alison Clynes

call: **01472 269 016**

email: [alison@kineticadvertising.co.uk](mailto:alison@kineticadvertising.co.uk)

visit: [www.kineticadvertising.co.uk](http://www.kineticadvertising.co.uk)

