



An Introduction to Direct Marketing

Presented by:
Angela Ridpath
Director 1:1 Marketing Strategy
Bernstein-Rein Advertising





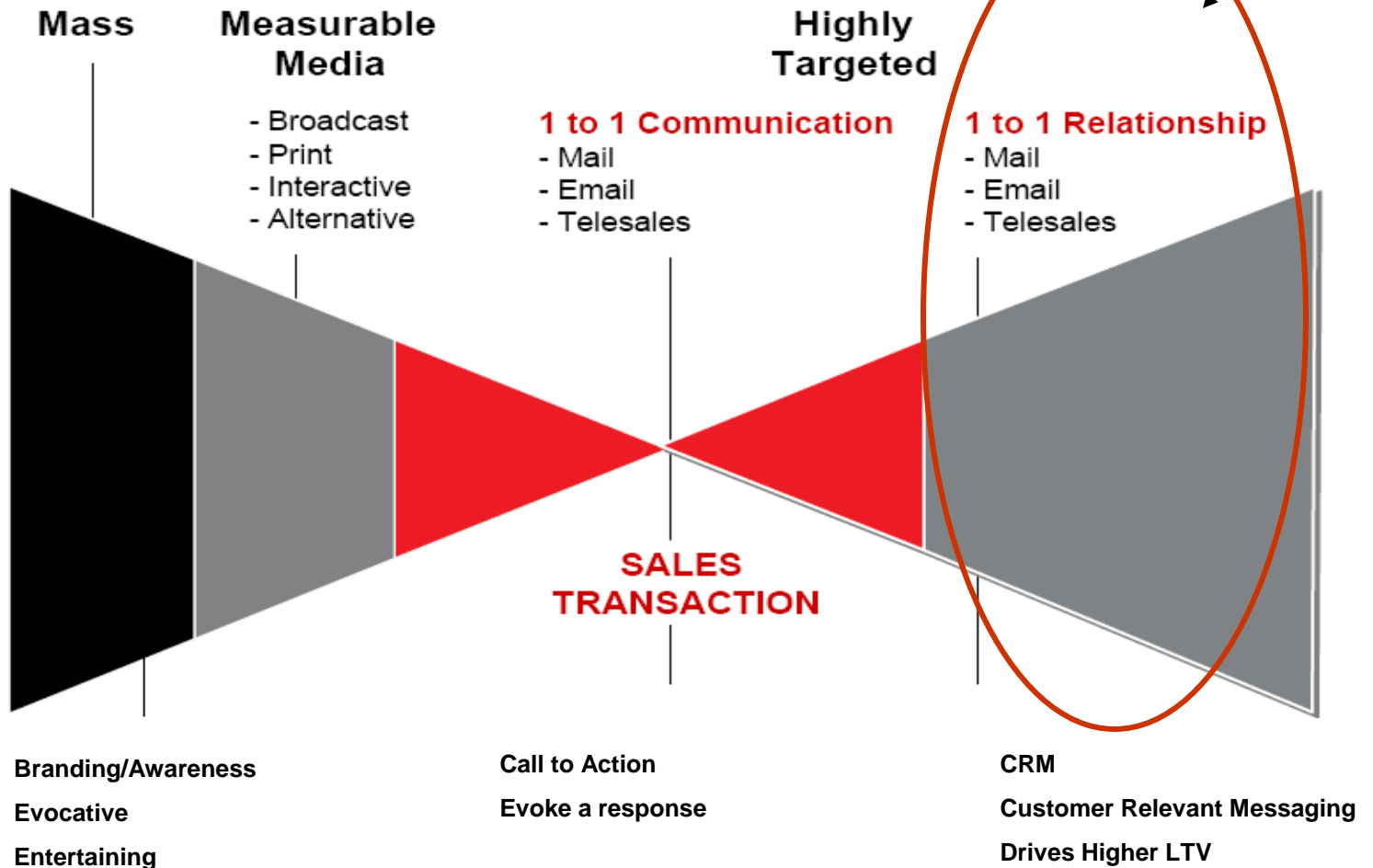
What is Direct Marketing?

“Direct Marketing is a channel agnostic approach to driving maximum customer satisfaction and optimal marketplace results.”

Larry Kimmel, President Direct Marketing Association, January 2011

A New Era for Direct

Strive to be here.



Connecting 1 on 1

Building Relationships through targeted channels



Spending Trends– A Transformation

2010 Trends

- Direct Marketing represents more than 50% of total advertising spend in the U.S.
 - Expected to grow 3.9% in 2011

Why?

- High return on investment
 - For every **\$1** spent in Direct Marketing, there is an average of **\$11.69** in **incremental lift** in revenue across all industries.
- Trackable
 - In today's fragmented marketplace, CMOs, CEOs and CFOs want accountability for ad dollars spent.

Source: Direct Marketing Association



When should you consider direct marketing?

- When the goal is to increase customer lifetime value
- Highly targeted offer or unique value proposition
- Many different segments
- Need to generate a “specific” response
- Want to test in real world situations
- When you want to take a calculated risk

Highly targeted, little waste

1:1 Media

Traditionally ROI driven (CPM not as significant as ROI)

*Highly **targeted**, little to **no waste**, enables you to spend more per touch and get greater returns.*

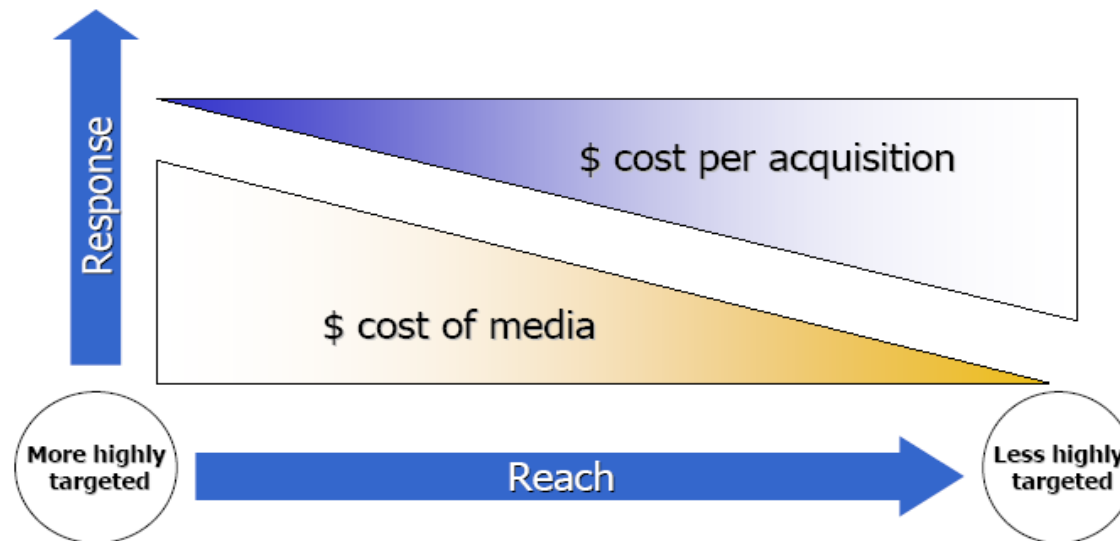
Higher Cost-Higher ROI

Other Media

Traditionally CPM driven (strive for low CPM)

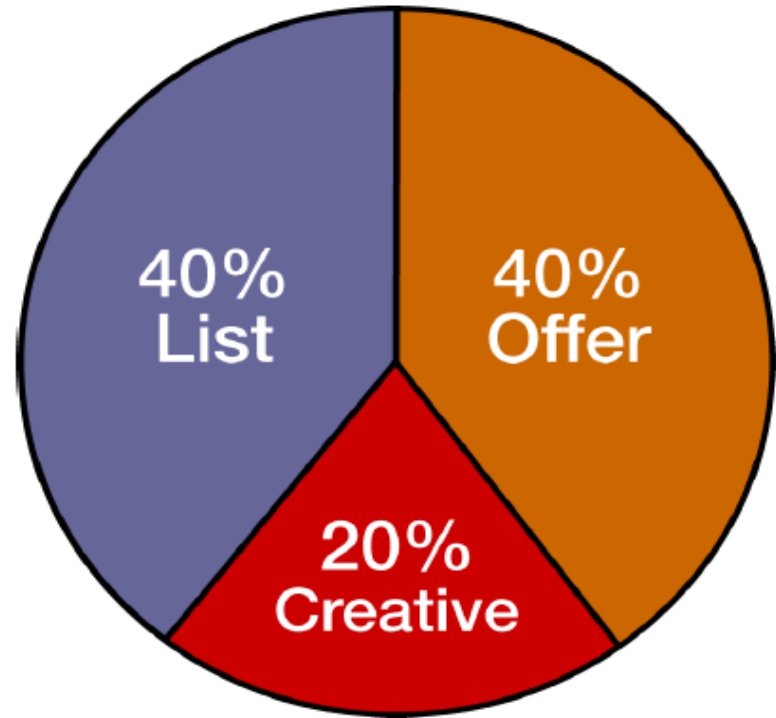
*Highly **visible**, lower cost, enables greater reach to much **broader** targets (greater waste).*

Lower Cost- Lower ROI



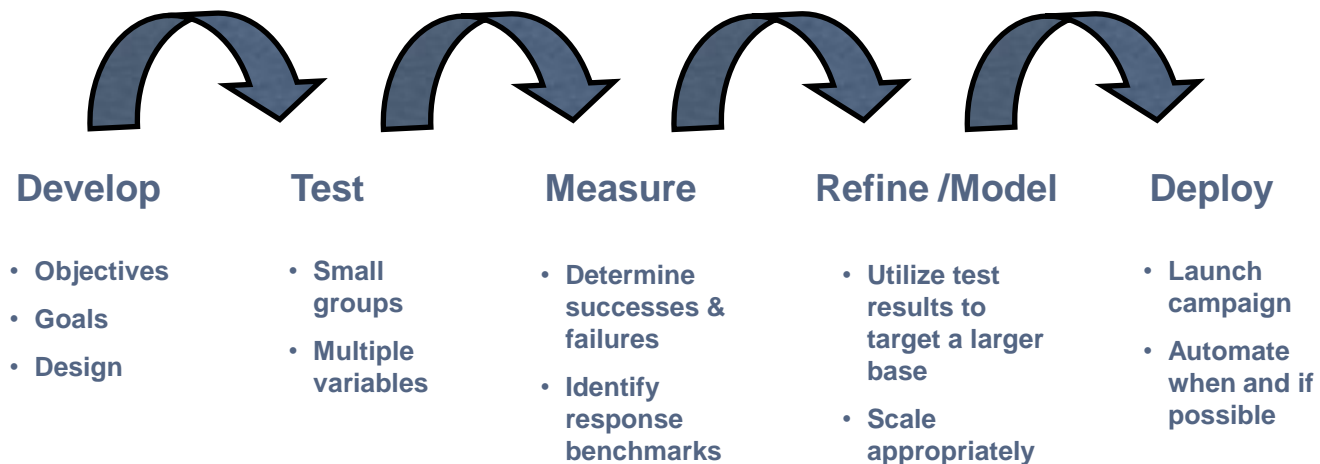
What drives response?

List + offer are
critical in driving
response!



Taking “calculated” Risks

- Intuition DOES NOT matter
 - opinion is a marketing survey of one
 - focus groups and surveys
 - They tell you what they *think* they'd do
 - Don't project response and sell-through well
- There is little to no waste
- Testing is the only way to protect ourselves and stay ahead of the competition





Test, Learn, Optimize

- Marketing Calendars must be fluid
 - Dollar amounts and objectives can be static
 - Allocations, media mix and messages need to be fluid
 - Programs should be readjusted with every set of results
- Winning results become control
 - Must think and act quick to develop new tests



Getting Started

- Build a database
 - Ask people to opt-in to 1:1 channels
 - Make it easy
 - Give them a good reason
 - If they decline or don't respond, respect the decision.
- Ask at every intersection
 - Online shopping cart check out
 - Catalog requests
 - Online information and forms
 - Point of Sale
 - Social Network
 - Drop boxes



Getting Started

- If you have data on your customers/prospects: use it
 - Create more relevant messages
 - Get higher response rates
- Types of segments:
 - Customer type (new, lapsed, best)
 - Purchase type (books, merchandise)
 - Geography
 - Interests
- Bottom line
 - Learn what your audience wants and what positively affects your bottom line