



Finding the Right Media for the Best Response: A Direct Marketing Overview

It's something every startup business owner learns very quickly – navigating the twists and turns of marketing your business is tricky. Even seasoned veterans can get confused about the pros and cons of direct marketing methods and how they stack up against each other.

In this article, we'll explore the power of direct marketing and blast through some of the myths surrounding different marketing channels to help you select the right media to win more customers and increase your revenue.

Where does direct marketing get its strength?

Direct marketing is targeted, trackable, measurable, cost effective and has incredible staying power. As a marketing technique, it is considered an indispensable part of successful media campaigns and a commanding stand-alone strategy.

What are the defining characteristics of direct marketing?

- Precise targeting and market segmentation. Your message gets in front of those consumers most likely to respond to your offer.
- Research and testing. There are many reliable and nationally recognized research services available to assist you in obtaining census, demographic and psychographic data before you start your campaign to ensure you are hitting those consumers who fit your profile.
- Quick consumer response time. You can typically expect a response quickly (minutes, hours and days) depending on the media selected. You can facilitate this process by creating a sense of urgency such as an expiration date on special offers.
- Benefit oriented advertising. What makes your business different from others? What do you offer that others might not? Direct marketing is a versatile way for you to clearly tell the consumer why they should come to you for their needs.
- Results measurement. With direct marketing, it's easy to tell if your advertising is working. By providing the consumer with a method of responding (such as a business reply postcard, a coupon, an e-mail address, a Web site or a phone number) you can quickly determine if your message is getting results.

Apples or oranges?

Because the objective of direct marketing includes generating immediate sales, increasing customer retention, and relationship building, selecting the right direct marketing channel is the key to success. However, comparing advertising media isn't always easy. Every channel has its advantages and disadvantages as you'll see in this snapshot of the top direct marketing channels.

Channel	Advantages	Disadvantages
Direct Mail	Targeted, trackable results, space to add benefits details, many options for visual appeal, consumers can spend time with ads, shared mail is affordable.	Consumer acceptance can be spotty; but when they read direct mail, they tend to read from mailers they know and trust, solo mail costs are increasing due to rising postal rates.
Yellow Pages	Widespread consumer awareness, used as a reference tool, consumers can spend time with ads.	No flexibility for seasonal variations or "specials," ad clutter, out of date publication, too many books confuse consumers, costly.
Cable TV	Visual appeal, wide reach, targeted, affluent audience.	Small audience for individual channels, high TV commercial production costs (low cost, low quality commercials are not effective), difficult for consumers to respond, subject to DVR time-shifting and ad skipping.
Radio	Targeted, affordable production, large and portable medium, short lead time, impactful.	Low reach due to fragmented audience, difficult for consumers to respond, subject to station surfing to skip ads.
Newspapers	Visual appeal, space for benefit details, trackable, short lead time, consumers can spend time with ads.	Steadily decreasing penetration, ad clutter, no separation, people browse more than they read, can be costly.

Marketing myths versus facts

There are some common misperceptions about direct mail, many of them based on personal feelings. It's safe to assume pretty much all of us grumble from time to time about "too much advertising." But, in reality, we also pay attention to it. If a consumer is interested in purchasing a new car, he or she will look for opportunities to gain information and insight to help them make their buying decision.

Myth#1 – Consumers don't want direct mail.

FACT: Actually, most people consider mail to be an important part of their life according to studies done by the United States Postal Service®. When direct marketing provides an answer to a problem or offers a solution to a need, consumers are inclined to find it useful.

Myth #2 – Consumers don't read their mail.

FACT: A recent study* revealed these top three things Americans say they “always or usually” do with envelopes containing marketing, advertising or promotional material they receive by mail:

- 66 percent open the envelope if they think the contents might be interesting.
- 61 percent open it if they think the contents will be of personal interest to them.
- 59 percent open it if they can clearly identify the purpose/sender from the envelope.

*“Because It’s Personal: A Study of Consumer Use and Preference for Envelopes,” released by the Envelope Manufacturers Association Foundation (EMAF) 2006.

Myth #3 – People don't pay attention to their mail.

FACT: Au contraire! When it comes to direct marketing, the EMAF study also showed that 75 percent of Americans say they are most likely to pay attention to “direct mail sent to my home.”

Reach and Frequency

Reach and frequency play an incredibly important role in capturing consumers’ attention – your marketing message must be in the right place at the right time. Why?

When you’re in the market for a new vehicle and you just happen to receive a generous discount offer from a nearby dealer in the mail, wouldn’t you look at it? After all, it’s in your mailbox (and you didn’t have to do anything special to get it), you can read it at your convenience, and then you can stick it on your fridge, put it in your wallet or purse, or pass it on to your spouse.

The same principle applies to using direct mail to market your business. Keeping your business top of mind by being in front of the consumer when they are ready to make a purchasing decision gives you an edge over your competitors.

Targeting the Right Audience

Let’s face it: No matter how good your offer, or your media, it’s all for nothing if the right people don’t see it. That’s why the old “hit and miss” approach to advertising doesn’t work and is a money-waster. You have to get your message in front of those consumers most likely to respond to your offer. This group of people is your “target audience.” You’ll have the best results by selecting a media that uses data-based market segmentation to reach the consumers who best meet your criteria. Targeting by geographics, demographics, consumer behavior, and consumer expenditures will ensure that you reach your exact audience.

The Bottom Line

While direct mail has distinct advantages over some other types of media in the war to win more customers and increase your revenue, its power must be harnessed and used correctly to be effective. It’s important to understand the advantages and disadvantages of each direct marketing channel and how it can help you achieve your business goals. Enlisting the help of an

experienced business consultant is also a good way find the direct mail channel that works best for growing your business.