

Class 12: Direct Marketing

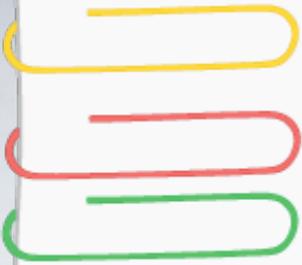
INTEGRATED MARKETING COMMUNICATIONS

IMC





Contenti

- 
- What is Direct Marketing?
 - Direct Mail
 - Telemarketing
 - Evaluation
 - Ads & Dis Ads



INTEGRATED MARKETING COMMUNICATIONS

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Functional Areas of IMC





DIRECT MARKETING

the practice of delivering promotional messages directly to customers and potential customers

(i.e. telephone, email, mail, online, etc)

interactive | database-driven

Producer



Consumer



Digital planning considerations



Benefit of Direct Marketing

**Siamo aperti
a tutte le famiglie.**



© 2011 IKEA



Noi di IKEA la pensiamo proprio come voi: la famiglia è la cosa più importante. Ed è per questo che abbiamo pensato alla carta IKEA FAMILY con tanti vantaggi, offerte e tutto il bello di entrare a far parte della grande famiglia IKEA. Diventare soci è facile e gratuito e potete farlo online o in negozio. Vedrete: da noi vi sentirete a casa. Perché quello che cerchiamo di fare è rendere più comoda la vita di ogni persona, di ogni famiglia e di ogni coppia, qualunque essa sia.

Ora IKEA è a Catania. Siamo vicini, di casa.

- Media that encourage a DM (mobile phone, www, ipad, etc.)
- It is targeted at identifiable individuals (tracking contacts, database)
- Acquisition and retention to customers
- Allow feedback (response)

What Are Direct Marketing's Strategies?

Front end strategies

Delivering the message, media mix

Back end strategies

Handling consumer responses and delivering product inventory control, invoicing, customer service

Components of Direct Marketing

front end



all about
delivering the
message...

**the offer
responses
database targeting**

**fulfillment
privacy protection
customer service functions**

operational decisions
about how customer
responses will be
processed



back end



Direct Mail



One form of direct response advertising that uses mail rather than other media to deliver a brand offer



GREEN BELGIUM MAILING

WITHOUT WATER, KNOWLEDGE CAN'T FLOW.



To mark World Water Day, this mailing was sent out to companies and the press.

The letter inside can only be read when held under water - proving that water really is the source of all knowledge.





Direct Mail : Wash United Car Care

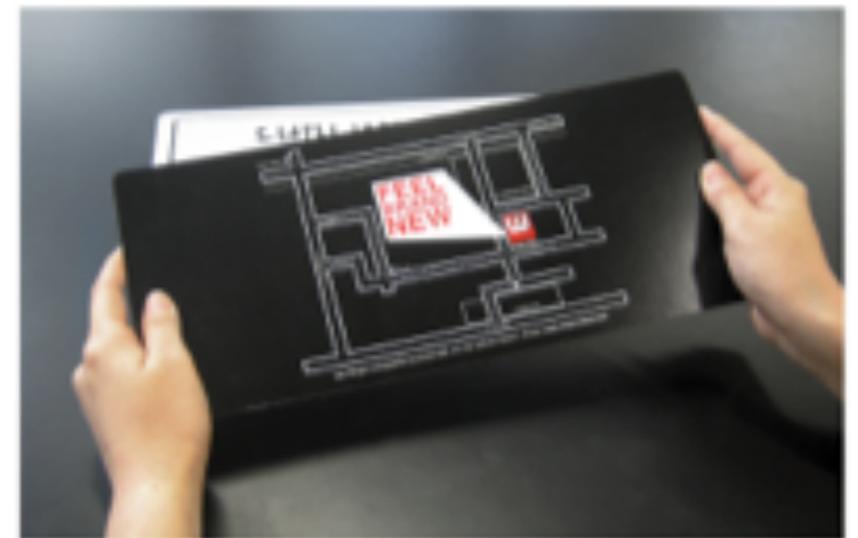
Direct Mail

หลังจากใช้รถมานาน ผู้ใช้รถมักลืมความรู้สึกของรถสีแดง Wash United Car Care ใช้ Direct Mail เป็นตัวนำส่ง "ความรู้สึก" ของรถสีแดงมาสู่ผู้ใช้รถ โดยนำรถสีแดงจริงมาทำเป็นซองขาว "ความรู้สึก" ของรถสีแดงจะออกมาให้เห็นเมื่อได้รับซองและเปิดซอง "Feel Brand New" หมายความว่ารถของคุณจะรู้สึกเหมือนรถสีแดงอีกครั้ง

After years of using the car, the owners often forget what red plate feels like.

Wash United Car Care has sent Direct Mails in the form of actual car license plate which are sent to homes and offices.

Once received and teared open, the receivers will find an actual sized red license plate with the logo, map and a message saying "Feel Brand New" giving out the message that Wash United Car Care will make your car feels like a red plate once again.



IKEA Recruit Campaign "Furniture" cards

Challenge

We wanted to recruit Japanese retail staff who shared IKEA's interest, thinking and passion for the brand and products.

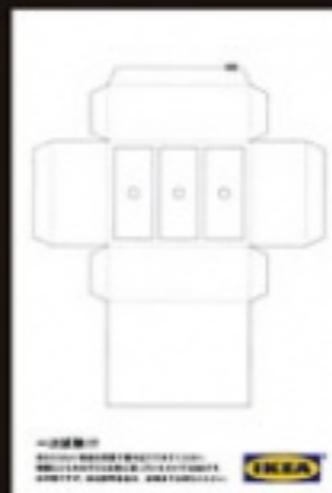
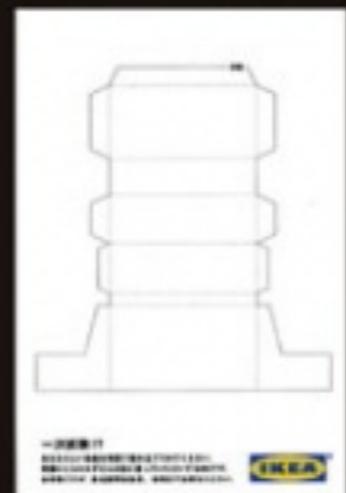
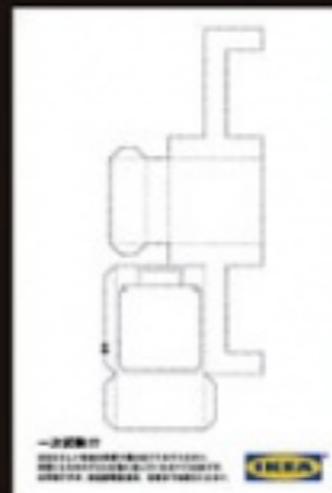
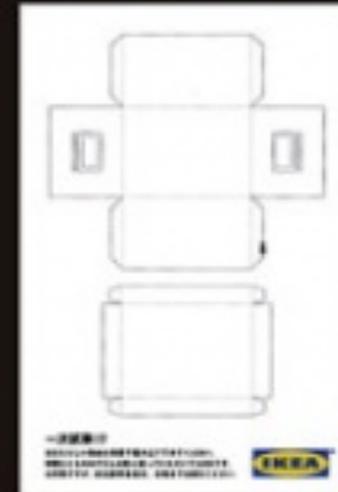
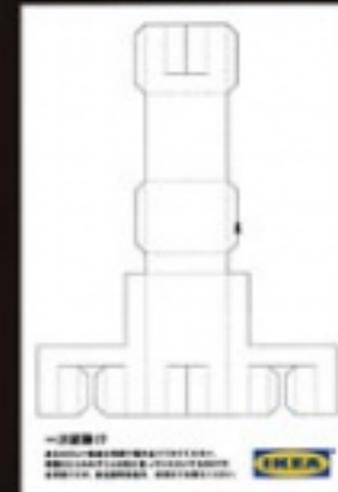
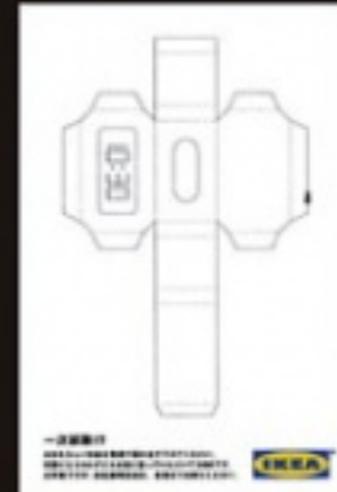
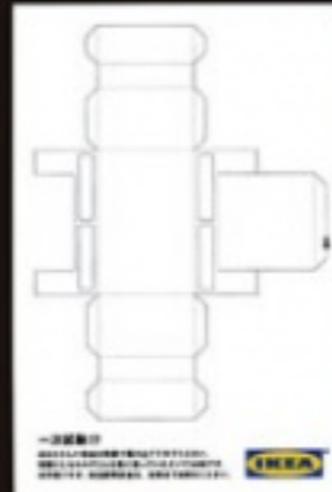
Solution

Using the Japanese art of "origami" as inspiration, we created special ad cards that reflected IKEA's unique attitude (fun, assemble your own), while also recruiting new retail staff.

The front side included recruitment information, with the message "home lovers, come work with us!" On the back, were instructions to build small furniture/interior goods from the card, with a line saying "this is your initial screening!"

Results

IKEA received 2,500 targeted applications, much more than expected. 450 of those are now working at the first IKEA store in Japan.









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Direct Mail Ads & Dis Ads



advantages

- addressability
- can receive more attention than advertising
- can cut through clutter
- personalized & can be tailored to any shape/size



disadvantages

- postage can be costly
- some offers can be costly to produce
- complex direct mail require long lead time





Telemarketingu





the practice of using the telephone to deliver a brand message designed to create a sales or sales lead

advantages



- personal
- addressability
- interactive

disadvantages



- human callers = costly
- intrusive (unwanted calls)
- plain annoying



***Evaluatingu
Direct Marketingu***





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*Elements that u
should be tested...*

Ist
Offer

Creative / Copy

Frequency

Media Mix

Elements that u should be tested...t

List

1. House List

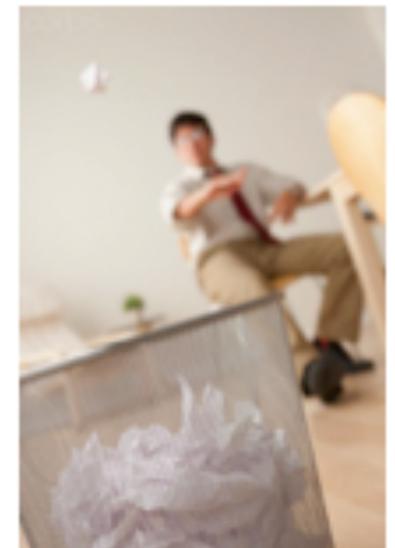
2. Response List

3. Compiled List /
Rent List

Golden rules of direct marketing

- The key elements to the success of any direct marketing activity are the

quality of targeting



Testing Equations

- response rate
- cost per sale



i.e. $100 \text{ ppl} / 500 = 20 \%$

RESPONSE RATE =
 $\frac{\text{number of responses}}{\text{number of offers mailed / contact}}$



i.e. $\$1000 / 5 \text{ sales} = \200 per sale

COST PER SALE =
 $\frac{\text{total cost of mailing + production}}{\text{number of sales made}}$

One rule of thumb: in most direct-marketing programs, a customer isn't profitable until the **third** time he or she buys

number of sales made

Elements that u should be tested...t

Offer

The Offer



Everything, both tangible and intangible, promised by a company in exchange for money or some other desired behavior

Ads & Dis ads of u Direct Marketing



advantages

- personalized communication
- messages can be prepared quickly
- easily measured based on response rates
- continuous relationship can be built
- activities less visible to competitors



disadvantages

- database investment can be high
- response rates are typically low
- can be annoying

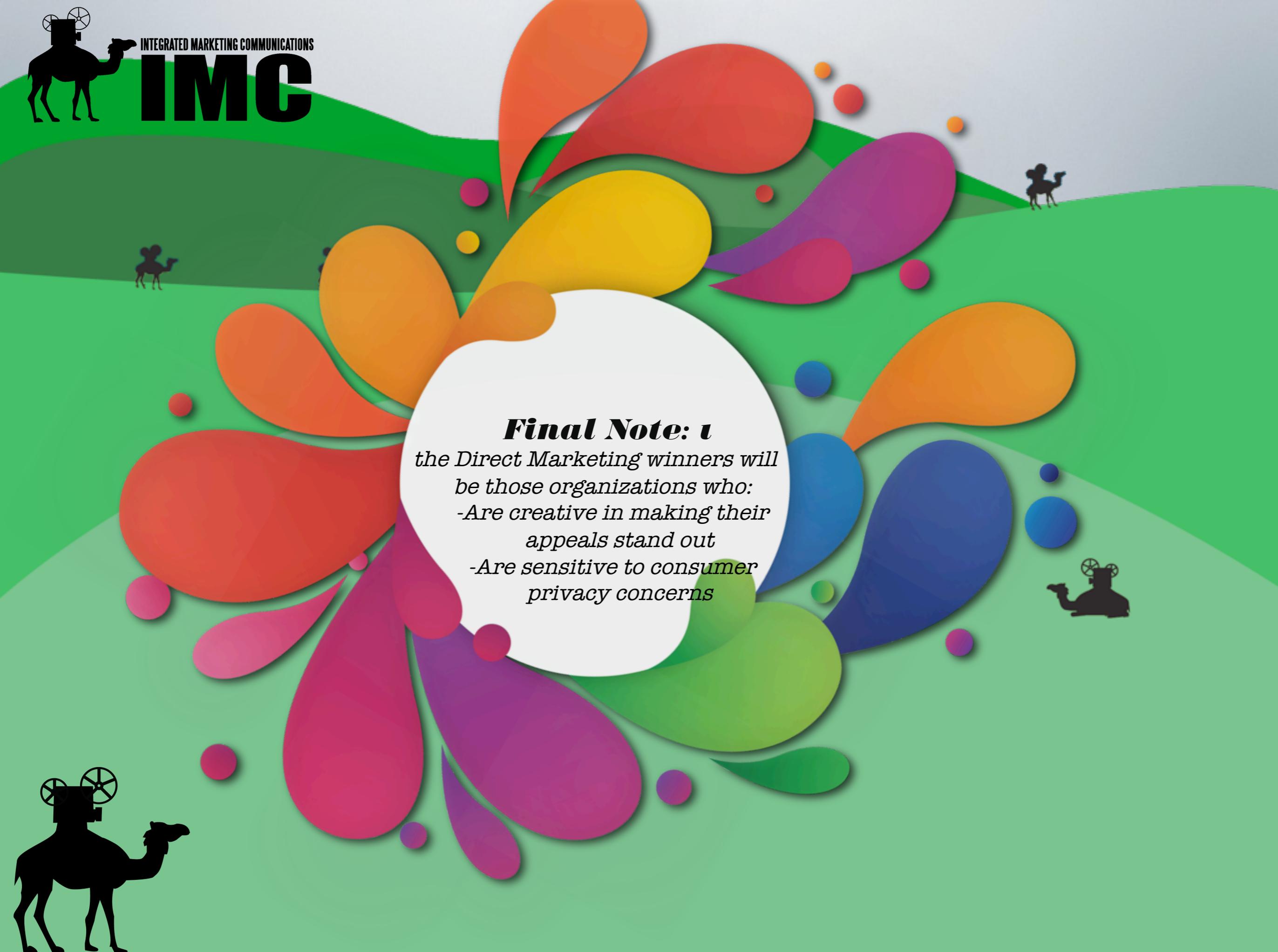
10 ways to get more u from your DM program

- 1. u** Make stronger offers
- 2. u** Mind the basics
- 3. u** Budget based on lifetime value
- 4. u** Close the circle
- 5. u** Test
- 6. u** Reflect the brand
- 7. u** Innovate
- 8. u** Optimize your website
- 9. u** Learn why people say 'No'
- 10. u** Learn why people say 'Yes'



Google Analytics?





Final Note: t
*the Direct Marketing winners will
be those organizations who:*
*-Are creative in making their
appeals stand out*
*-Are sensitive to consumer
privacy concerns*