

“Make it simple. Make it memorable.
Make it inviting to look at. Make it fun to read.”
Leo Burnett, advertising statesman



Direct marketing

Unlike mass marketing such as television and radio, direct marketing provides an opportunity to personalise your message. It is important to get it right because if you don't, you risk offending individuals. While direct marketing can be cheaper than mass media, it carries a much higher risk at a personal level. A TV commercial we don't particularly like may be less likely to offend us than a personal letter with our name spelt incorrectly. Ad man David Ogilvy believes writing copy for direct marketing is a tough business but a rewarding one. He prefers copywriters to have some direct marketing experience so they have practice writing letters and ads that connect with the individual within a given target audience. Let's look at direct marketing via the post and telephone. (More on email later.)

Database management

If your databases are incomplete, inaccurate or out of date, you should try to remedy this immediately. Consider implementing a system where customers can identify themselves at the point of purchase or delivery. This does not have to be complex, nor should it require sophisticated software.

Make sure you collect, use and disclose your customers' details in accordance with the *Privacy Act 1998* (Cth). This legislation generally requires businesses to inform individuals (through a privacy collection statement or privacy policy) how and why they collect, use and disclose their personal information to other organisations.

Important: you should talk to your lawyer if you are unsure of your obligations under the Privacy Act.

This also means if you are acquiring a database you need to ensure the individuals listed have consented to having their personal details used for third party marketing. It is also important to note when you collect information from customers, it is not automatically permissible to send their personal details to a third-party. Basically, you should only be using and disclosing information for the primary purpose for which the information was collected and any related purposes for which the customer would reasonably expect the relevant use and disclosure to be made. The simplest way to capture your customers' details is to ask them. Customers are often happy to put their name on a special customer list or join a privileged customer club. If you are in retail have a pad on your counter with a layout to capture critical information, and then simply ask your customers: “Would you like to go on our special customer list?”

Shine Café in Melbourne secures contact details by asking customers to hand in a business card to be added to the customer database for the chance to win a prize. They have a business card drop-off point and signage making customers aware of their database acquisition process and details of the prize on offer that month. Shine also cross-markets with a local hairdressing salon Hennessy Lane, where they offer discounts on food and beverages to the salon's clients when the salon does a mail-out for birthdays and special occasions.

Craig Lane, director, Shine Café

At a minimum, you should try to capture the following details from your customers:

- Name
- Home or business address
- Telephone/mobile number
- Email address.

If your business has internet access, you should ask for their email address wherever possible. Make an offer – put a sign up in your place of business with an offer like: ‘Win \$100 worth of products’, ‘Win a \$50 voucher’ or ‘Win a subscription’. Offer something your customer is likely to find useful and attractive in exchange for their details, but be sure to get their permission to send business news and marketing information as part of the entry form. This is a simple way of building your customer database. Another way is to set up a suggestion box where customers can provide feedback. Again, you must be sure to ask customers for their permission before sending them advertising material. Or provide an incentive for being on the mailing list. For example, special deals not available to the general public, or offering your existing customers the opportunity to be the first to try out new products and services. By examining the current spending profile of each customer, you should be able to identify which sub-groups will be most likely to trial different products and therefore you should be able to target them with relevant offers.

Important: If you intend to use electronic means of marketing to customers, you need to ensure compliance with the *Spam Act 2003* (Cth). In short, the Spam Act prohibits the sending of unsolicited commercial electronic messages without the consent of the recipient. At a minimum, there are three key rules you need to follow if you intend to market electronically:

- Ensure you receive the customer’s consent to receiving your marketing material electronically
- Your message must include accurate sender information (i.e. identify who you are)

- Your message must contain a functional unsubscribe facility which allows the recipient to inform you they no longer wish to receive such communication from you (in which case you must stop sending them commercial electronic messages).

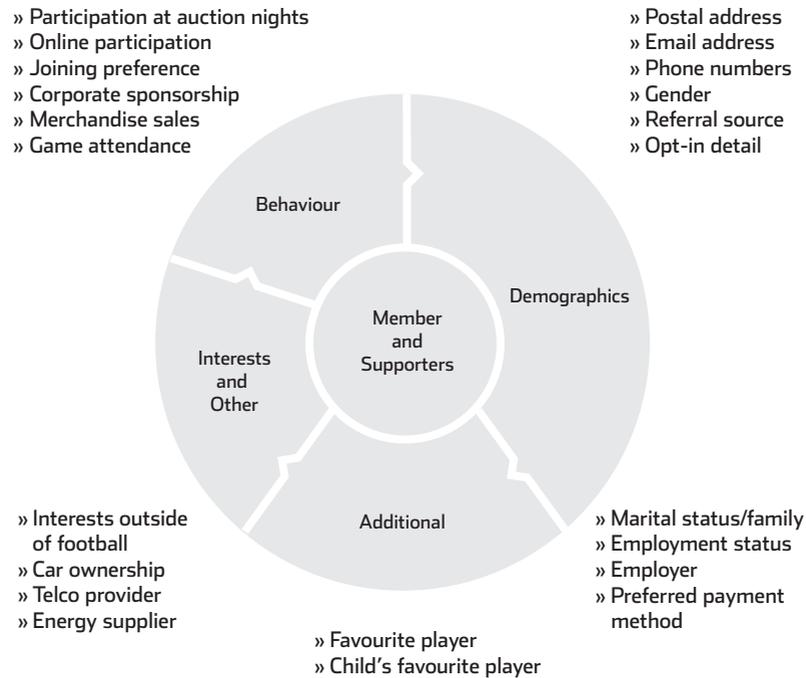
Note: Penalties under the *Spam Act* can be quite severe, so ensure you follow the three key rules outlined above. If you need any further details on the requirements and compliance with the *Spam Act*, you should speak to your lawyer.

The Nectar Bar is a fresh juice bar in Townsville. Looking for new ways of reaching current and new customers, the Nectar Bar worked with a marketing coach to develop a customer database they could market to monthly with incentives and promotions. “We have found database marketing a lot more effective than radio and newspaper advertising and our database has increased from 250 to 1,100 customers in a short time. Many existing clients are bringing family and friends with them when they visit, so we can reward our current database while building new relationships at the same time.”

Johanna Anning, owner, The Nectar Bar

An important element of data collection is planning what you are going to use it for, how you are going to use it and why. For example, a school might choose to collect names and contact details of past students in order to keep them abreast of school developments that may one day be appealing for their own children. They will probably need to know the past students’ names and addresses, and it will also be helpful to know if and when they have children so they can target them at the right time for enrolments. It is unlikely the school will need to know what subjects the past student studied unless they want to target them later for student information nights or the like.

Another example is a football club that wants to know more about members and non-member supporters. The football club can gather a great deal of personal information when members join. However, non-member supporters can be harder to reach though can be more valuable financially to the football club. Consider for a minute the supporter who is not a member, but attends every game and buys a footy jumper for his/her children each year – the non-member in this case is worth more in profit than the member. The diagram below demonstrates some of the information a football club might consider collecting on members and supporters.



Source: Business Performance International

The trick is not to acquire too much at a single 'touch' point, and instead try to capture information at as many 'touch' points as possible and keep it in a central database. For a football club, 'touch' points, or points where the customer comes in contact with the business, might include the merchandise shop, the club website, online surveys, phone surveys, at a game or at coaching events. For an automobile shop, touch points might include the point of purchase, finance and insurance forms, at service intervals, and when accessories are being fitted. Finally, consider how you store the data. Multiple databases may not provide a single view of the customers' profiles, which can be important.

Direct marketing tips

Here are some basic rules for direct mail campaigns:

- The best results often come from mailing your own customers, as they already know you and their permission to mail them might suggest they have had a good experience with you
- Another way you can achieve good results is through third-party endorsements – another business (third party) sends a letter of recommendation to their customers about you. This can work well because the recommendation is coming from someone they trust. (We talked about referrals and joint promotions in chapter 7)
- If you are purchasing a mailing list, try to ensure the people you are targeting are similar to your own customers in what they buy, where they live, their interests, etc
- Don't send direct mail to people who have opted out of receiving direct mail from you.

Envelope design

Spend some time to ensure your envelope is appealing, so it has less chance of being thrown straight in the bin. Here are some tips for helping ensure the envelope makes it past the 'bin it' test:

- Personalise your direct mail with the receiver's name – don't use: 'The manager' or: 'The business owner'
- Spell the receiver's name correctly
- Ensure their title is correct
- Ensure their business name is right
- Where the mail is important and the volume low, consider hand-writing the address
- Use an intriguing tag line or message on the front to encourage the reader to open the envelope
- Use colour
- Consider using different-shaped envelopes.

Australia Post has introduced a service called Impact Mail which allows you to send shaped envelopes, such as a star or a shark, through the regular post. It is more expensive than a regular envelope, but if your potential customer is more likely to read it, then it may be worth the expense.

Three reasons why direct mail does not always work:

- You have sent it to the wrong market. For example, your mail piece is offering a \$6,000 holiday to Alaska to pensioners
- The offer is wrong. If what you offer is not attractive to your chosen market, it won't sell
- Your mail piece is unappealing and no one wants to read it! Usually, if you can get someone to read the first two paragraphs of your letter, they are likely to keep reading – that's why good headlines are so important.

Successful direct mail techniques

Here are some examples of direct mail techniques that direct marketer Peter Sun has used successfully with Australian small businesses:

Coupons

Not only is a coupon ideal for generating appointments, it can also be great for sending to existing customers who have not been buying from you lately. In most cases, you offer a voucher, coupon or similar that can be exchanged for a product or service, or a discount on a product or service. Often, the better the offer, the more response you will get. For example, an insurance agent might offer a coupon for a free assessment. The coupon, valued at \$150, could include a review of the potential client's existing policies to ensure they are suitable for the client's needs. The coupon can be used as full or part payment for products and services. If your service, price and products stack up, the result may be a new regular customer!

Attention grabbers

Let's face it, a lot of letters are just plain boring and get lost in the clutter of all the other mail. This can be changed if you use 'attention grabbers' in your letters to make them literally jump out of the pile and grab your potential customer's attention.

Here are some examples of attention grabbers and how to use them:

Attach a coin: "Dear John, as you can see I have attached a coin to the top of this letter. Why have I done this? Two reasons. Firstly, I wanted to attract your attention and secondly, because what I have to say concerns how you can make more money in your business. I thought attaching a little financial eye-catcher was especially appropriate..."

Timed offer: "Put us to the test! If we don't deliver within two hours of receiving your order it is FREE..."

Gift voucher: "Dear John, rather than spending money on newspaper advertising, I've decided to give it to you in a gift voucher. You can use this voucher to spend as you like at our store – no strings attached..."

An eye-catching picture: For example, a picture of an elephant: "They say an elephant never forgets. Of course you have far more to think about than any elephant. That's why you probably forgot to renew your subscription/come in for a haircut/service your car ..."

A photograph: "Dear Jane, our product is so new we don't have a brochure yet, so I have attached a photograph. I'd like to come and show you how you can save money/make money/be more beautiful with this new..."

Direct mail follow-up

There is an easy way to help increase the response to your direct mail. You should follow up your letters with a phone call. A call will usually encourage a response from the people who:

- Were very interested in your offer, but were busy and simply forgot to call you
- Were interested, but still had a few questions they wanted answered before making the final commitment
- Did not receive the letter at all. You should send out another one and call them back in a week

- Were not interested in this offer, but your letter sparked interest in something else they may want from you.

It is not uncommon to generate extra business with phone follow-up. Another method is to phone your customer to ask for the right contact details for your mail out. Then you complete the mail-out and follow up a few days later with another phone call.

Newsletters

A trick to business success is giving or selling the right kind of information to people who want it. A good newsletter should have information the reader wants to know. Here are a few examples:

- A clothing retailer might tell its customers about dressing well and selecting and caring for clothes
- A lawyer might write about how to settle a dispute without going to court
- A doctor might write about how patients could improve their health and well-being.

Telemarketing for business

Telemarketing can be a successful way to acquire business, but has developed a bad name in recent years, thanks mainly to over-zealous telemarketers, often based overseas, armed with a database and aggressive commission targets. This is not good direct marketing, this is verbal spam. Hopefully the introduction of the Do Not Call Register in Australia in 2007 (as discussed in chapter 8) will ensure the people on the telemarketing lists have chosen to remain there so they can continue to receive marketing offers. This register should help eliminate the bad experience associated with calls made to people who don't want to be contacted. For business owners, failure to check their lists against the Do Not Call Register prior to telemarketing, is likely to result in fines. You should ensure you keep abreast with this legislation if it impacts you.

Peter Sun suggests following these eight golden rules for telemarketing:

1. **Attitude is everything** – you should not pick up the phone unless you are smiling and having fun. In chapter 2 we discussed how messages are perceived: 7% of meaning is in the words spoken, 38% is in the tone used to deliver the message, and 55% is in the related facial expression and body language. Keep something on your desk that makes you smile, use music to get you going or put a mirror on your desk to make sure you are smiling as you talk to people. Whatever you do, try not to make a phone call unless you are feeling good
2. **Decide on the results you want to get** – expect the best and focus on what you want. If your objective is to get the person interested in what you have to offer, focus on that. The picture you have at the time of the call is extremely important and don't try to sell the product on the first call
3. **Clean your desk** – clear your desk of everything except the mirror, something to make you laugh, a pen, paper and of course the phone. A clean desk can help you focus on the job at hand
4. **Chain yourself to your desk** – promise yourself not to get up until you have achieved a set goal (unless you really need to). For example, until you have made at least 30 calls and sent at least 20 people your sales information. Don't use excuses to stop you calling people who may actually want to buy your products
5. **Work fast** – try not to leave more than 60 seconds between calls. Don't analyse – make your calls first. Until you have reached your target, make one call after another as fast as you can
6. **Reward yourself** – once you reach set goals, have a break. Go for a walk or do something fun. You have earned it!
7. **Never finish on a negative call** – to keep yourself motivated for the next call always finish your calls on a positive outcome. If you come across a negative response, make another call and help create a positive expectation for next time
8. **Always use a script** – a script ensures the message or offer is always the same. This helps when it comes to measuring the effectiveness of your phone marketing. One of the core principles of marketing is the ability to measure results.

Using a sales script

Before using any script ensure you have a clear set of objectives. Why are you calling people? Is it to:

- Make a sale?
- Make an appointment?
- Discover a person's interests?
- Create interest for more information to be sent?

Your attitude is the key. A bad script being delivered by an enthusiastic person is more likely to achieve better results than a fantastic script being used by someone who is dull, unenthusiastic or does not believe in their product. The more energised and happy you sound, the better the scripts can work for you. Try to relax and smile before you dial. Be cool, calm and collected. You should be familiar with your script so you know exactly what to say and can focus all the attention on how you say it. You don't want to sound like you are reading word for word, so it's important to be familiar with the content and understand it so you can deliver it in a personal manner. When you know your script you can start having fun and focusing on what the other person thinks, says and wants – rather than on what you should be saying.

No matter how well you deliver your message, you are unlikely to be successful with your call if the receiver does not trust you. People tend to buy from people they trust. To build trust you must be a good listener, not a talker! If the potential customer is asking you too many questions or is sceptical, it may be because you have not built enough trust. Be consistent with the script, but use it as a guide only. If you cover some of your points in conversation, don't repeat them later just because they are in the script. Use your common sense. Every now and then you should check your potential customer's level of interest. There is no point wasting your time with people who are not interested. Either bring the level of interest up, or let the person go. Keep records of your calls and the result – and have fun!