

# Direct Marketing Digest

Direct Marketing for the Entrepreneurial Company

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## In This Issue

Feature Article.....	1
Feature Article Continued .....	2
Feature Article Continued .....	3
Feature Article Continued .....	4
New Products.....	5
Lists & More.....	6
Search Engine tips.....	7
Washington & Legal News.....	8

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## Are You Throwing Your Marketing Communication Campaign... ...Out The Window?

### How to Ensure Your Campaign Drives the Response You Want!

#### Introduction

Today's sophisticated marketing campaigns require an unprecedented level of attention to detail when it comes to planning, creation, production and fulfillment. With all the effort (and carefully spent budget dollars) placed on bringing these campaigns to fruition, how can marketers ensure their campaigns achieve success and elicit the response rate and quality they need?

The answer: Enhance relationships and increase profitability with customer-centric communication and highly flexible print production and fulfillment.

#### Customer-Centric Communication

Today's marketers are focused on two key objectives—to gain new customers and grow existing business. It is a well-known fact that the latter is more critical to the bottom line.

Why? Because it costs five to ten times more to gain a new customer than keep an existing one, according to the Service Quality Institute. Faced with rising acquisition costs and tight budgets, marketers are seeking new and innovative ways to manage customer relationships and get the most out of existing business.

Enter "customer-centric communication:" an overall marketing and customer relationship management strategy that utilizes known segmentation information to attract and retain business.

Customer-centric communication can help companies:

- Reduce client acquisition costs,
- Reduce overall sales costs by improving client retention,
- Enhance profitability by expanding relationships with existing clients, Create new revenue streams through client referrals.

Moreover, customer-centric communication can help marketers reach their specific program and campaign objectives:

- Increase program ROI and do more with less

( "Driving Response," Continued on page 2)

*(“Driving Response,” Continued from page 1)*

- Increase message relevance, accuracy and time to market
- Increase lead generation response rates and resulting sales
- Increase client loyalty and grow existing business

### Personalization and Relevance

The key to meeting these objectives and making meaningful contact with your best clients and prospects is personalization—delivering relevant customer specific content targeted to recipients’ needs and desires. A more focused approach to customer communication, personalization helps to establish credibility and improve close and retention rates.

Additionally, increasing the relevance of the material reduces marketing costs by delivering only collateral and information that meet the needs of specific segments, and eliminating material that has no relevance.

Personalized images and messages have been proven to increase customer and prospect receptivity. According to Cap Ventures, personalized direct marketing makes a huge statement. It's simply a more effective way to communicate than mass marketing. With each new case study and piece of independent research, marketers can demonstrate increased response to personalized direct mail at rates up to 20, 30 and 40%. Furthermore, responders to personalized direct marketing also make loyal, long-term customers--improving on traditional retention programs by some 47%!

### Managing Relationships

Successful delivery of these personalized messages to your target recipients lies squarely with your company’s customer relationship management capabilities. Recognizing this, many companies have spent significant sums on customer relationship management activities, in attempts to offer greater convenience for customers and increase their own sales productivity.

A significant portion of these activities centers on gathering useful information about clients from every point of contact. This knowledge can be used to identify your company’s most profitable customers, as well as factors — such as industry, company size, geography, distribution channels and seasonal buying patterns — that contribute to their purchase decisions.

This information can help your company reduce marketing costs by extending offers that meet the needs of specific clients, while eliminating offers that will have no appeal. It also makes it easier to target prospects with similar needs and buying patterns. In the end, you are able to focus your marketing program on clients and prospects most likely to add to your profitability.

### Segmentation

Once you have secured relevant data from your customer relationship management system you will need to analyze your marketing campaign requirements—audience, function, value, lifecycle, design, delivery, competitors, compliance—and fit the two together elegantly to deliver the most compelling content.

*(“Driving Response,” Continued on page 3)*

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*(“Driving Response,” Continued from page 2)*

Adopting a tiered communication structure with varying degrees of personalization and customization allows marketers to marry customer data and marketing requirements more efficiently than ever before for maximum return on investment.

A typical customer-centric structure would include:

-- *Company to individual communications*, in which content/messages and, possibly, design are completely customized and targeted to a specific need, delivering only the most relevant information. To realize an effective return on investment, individualized communications should be reserved primarily for a company’s most profitable/valuable customers and prospects.

-- *Company to segment communications*, which are aimed at a portion of a company’s client/prospect base sharing common demographics, needs or interests. Some content is generic, while relevant portions are customized to address the segment’s commonalities.

-- *Company to mass audience communications*, which are sent to the broadest market base, with minimal personalization (e.g., ‘Dear Mr. Smith’). This is the most efficient way to get a generic message out to the largest possible population. This multi-level approach to personalization and customization, based on strong customer knowledge, takes the guesswork out of marketing and helps a company’s marketing and promotional dollars work harder.

Digital Print Capabilities

The traditional advantage to mass-produced communications is economy of scale. When printing was largely a mechanical process and computer database capabilities were still relatively limited, the “one size fits all” approach of mass mailings ruled. And while mass personalization still costs more than mass production of a generic communication, per-piece production costs for short-run materials have dropped dramatically, thanks to the development of design software, and, more importantly, of digital print capabilities. In addition, the combination of digital and offset printing, either in a single piece or a combination of pieces, can provide the best of both worlds.

Today, digital design and printing make it possible to quickly address opportunities and inquiries with individualized responses — a critical factor in improving results. Modern digital publishing capabilities make possible significant efficiencies in the creation, production and distribution of printed marketing collateral. Combining the technologies of print-on-demand and design-on-demand enables companies to customize collateral with a few clicks of a mouse, adapting marketing messages, graphics and other variables according to industry, product mix, previous purchasing patterns, geography and other demographics.

Documents can be created online using a web-based interface to access templates and pre-approved ‘libraries’ of copy and images. Once designed, these materials can be routed to a digital press and printed on demand — or sent electronically, eliminating printing, postage and storage altogether.

*( “Driving Response,” Continued on page 4)*

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(*"Driving Response," Continued from page 3*)

At the same time, design-on-demand technology lets you retain control over brand standards and core messages. The quality of these digitally printed documents can virtually equal that of offset printing at a much lower cost for small quantities. Because pieces are created on the fly or in small quantities, storage and obsolescence are also eliminated. More importantly, this customized output yields significant results, helping you improve the profitability of your customer relationships and your company's bottom line.

#### Wringing Greater Efficiencies from Fulfillment

Personalized, customer-centric communications are even more effective when coupled with cost management efficiencies in developing, producing, distributing and storing marketing materials — an area in which partnering with the right fulfillment company is key. A good fulfillment vendor does more than make sure the right materials get into the right hands at the right time. The best vendors will recommend strategies for customer-centric segmentation and offer appropriate design and digital production capabilities.

At minimum, look for a fulfillment company that offers:

- The ability to tailor interfaces to your CRM systems.
- Multiple channels for ordering materials and creating kits.
- Real-time data on inventory and usage.
- Online shipment tracking and delivery notification.
- 24/7 access to customizable reporting capabilities, to help you manage your print budget by tracking collateral usage.
- A secure, reliable network of servers.
- Allocation tools to monitor ordering trends and set ordering parameters.
- And, of course, design-on-demand interface and digital print-on-demand capabilities.

#### Summary

Customer relationship management is all about knowing your customers and keeping them loyal, and also capitalizing on this information to target your best prospects. Client-centric communications — communicating with customers and prospects in a way that's relevant and helpful to them — enables companies to build market share, increase market penetration, create loyalty and enhance overall profitability. ###

#### About the Author

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David has been with Comac since the inception of the Austin, Texas Dedicated Fulfillment Center in late 2001. Prior to his position with Comac, David was employed with an integrated call and fulfillment center, where he held positions as Vice President of Strategic Development; Director of Client Services; and, Account Director. David also held a variety of management positions in his native country, England.

As the Director of Product Development for Comac, David's primary responsibilities include: internal cost analysis; developing pricing models; client acquisition and retention; researching and implementing industry best practices; expanding product lines and services; ongoing corporate audit and manual support.