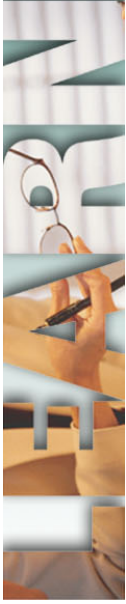




# ***Creative Direct Marketing Strategies***



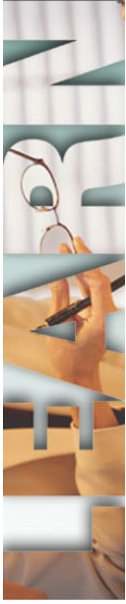


# The Laws of Direct Marketing

## *The foundations for success*

- Don't assume -- test
- Clear simple communication
- Easy
- Respect
- Deliver value

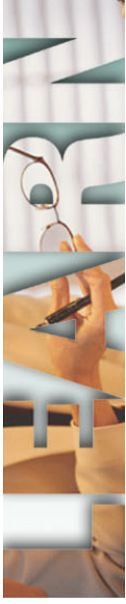




# What is Direct Marketing?

- ALL direct marketing generates a direct response (inquiry, click, sale, etc.). Without a direct response, it ain't direct marketing!

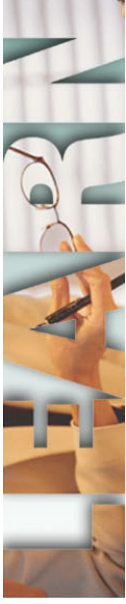




# Creating a Profitable Marketing Strategy

- **WHO?** Know your market by segment, product need/weakness, desire/”pain point”
- **WHY YOU?** Know your competition by vulnerability
- **WHAT** do they want/need? Know your customer
- **RELEVANCY** Know your niche down to the segment
- **HOW** Know your marketing message, mediums

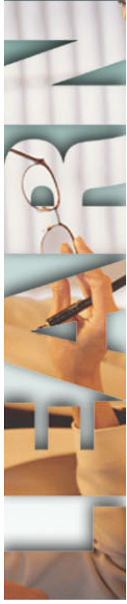




# Creating a Profitable Marketing Strategy, *continued*

- **RESOURCES** Know what strategies and tactics you can actually execute
- **GOALS** Total sales, gross profit, sales per salesperson/per promotion \$ spent, units, customers acquired, cost per order, average order value, lifetime value per customer, etc.
- **BUDGET** Know your marketing budget: what you can *spend* defines what you can *do*





# Take a Moment ...

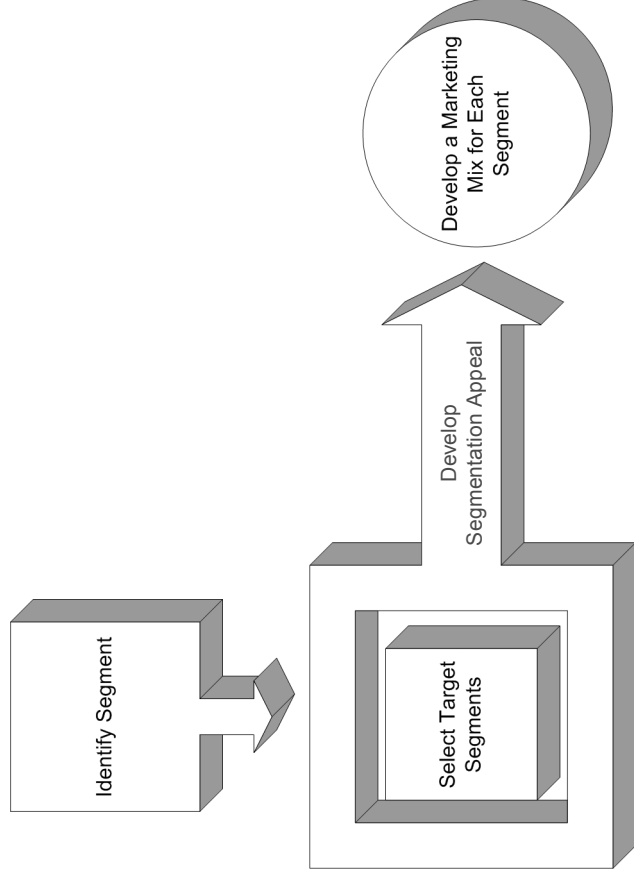
Take a moment to jot down three to ten words describing each of the following:

- Your market by segment, product need/weakness, desire
- Your competition by vulnerability
- Your customer as “who,” “what,” and “want”
- Your niche down to the segment
- Your marketing message by features/benefits, USP, solutions
- Your marketing medium(s)





# Hit the Target



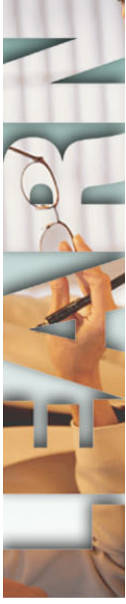


# Reaching your target

- Identify the sales and profit potential of your target market – size, growth, need (pain point). Ensure your chosen target market is worthy of your focus!



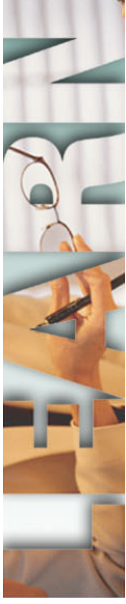




# Efficiently reaching your targets

- Reaching your target market
  - Broad reach vs narrow focus
  - Self – selection vs identifiable names
  - Brief (lead generation and impulse) vs In-Depth (direct sale and considered)





# Pareto's 80%/20% Rule

- Identify the 20% that are contributing most of your profits
- Discover their characteristics/behavior
- Find others who “look like” your gold customers





# SWOT IT!

Strengths

Weaknesses

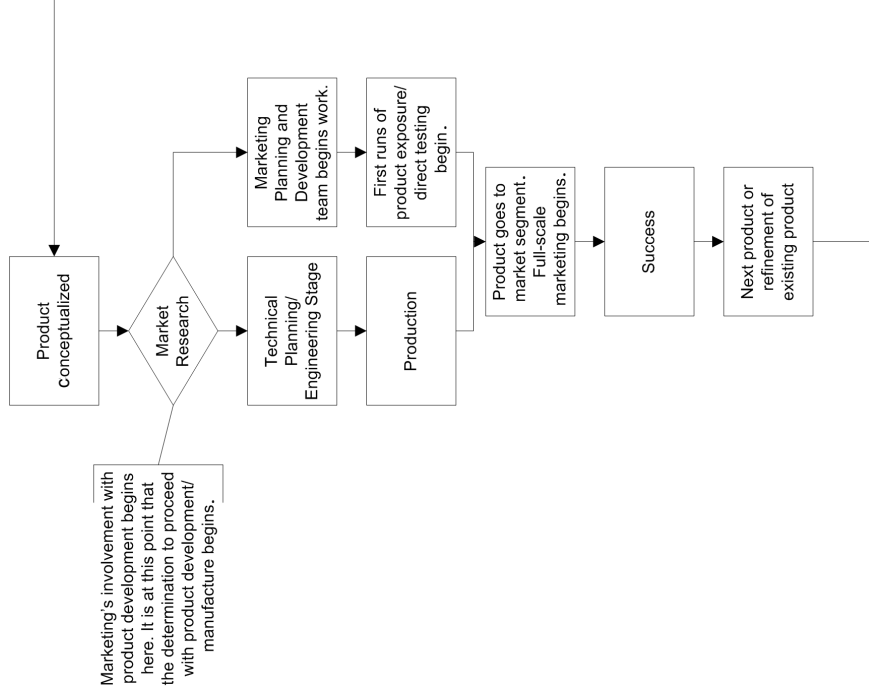
Opportunities

Threats



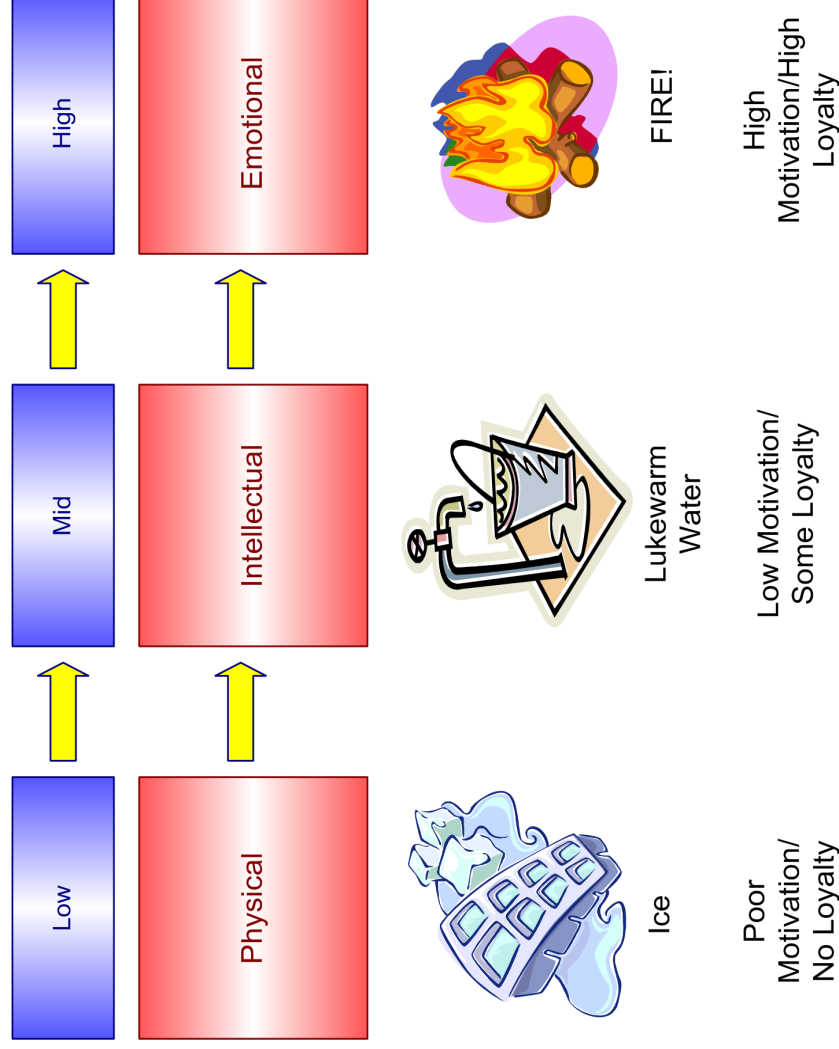


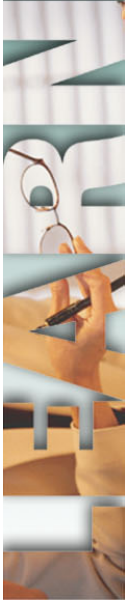
# Planning For Marketing





# Motivating By Emotion



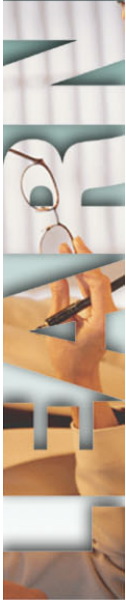


# How important is emotion to the selling process?

When emotion and intellect collide, emotion wins every time.

- *Herschell Gordon Lewis*

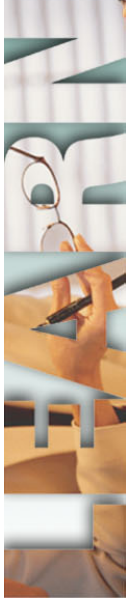




# 7 Key Emotional Drivers that Change Human Behavior

- Fear
- Greed
- Anger
- Exclusivity
- Salvation
- Flattery
- Guilt





# Testing

- Test what is most likely to improve response rates and profits
  - Offers –every aspect is a potential driver of higher or lower response
  - Creative – copy position, headlines, etc.
  - Don't test anything you cannot roll out with!
- Testing Strategy
  - Practice C.A.N.I. – Always test something!
  - Use tracking codes







# The importance of your offer

**If you want to dramatically increase your results,  
dramatically improve your offer.**

- *Axel Andersson*

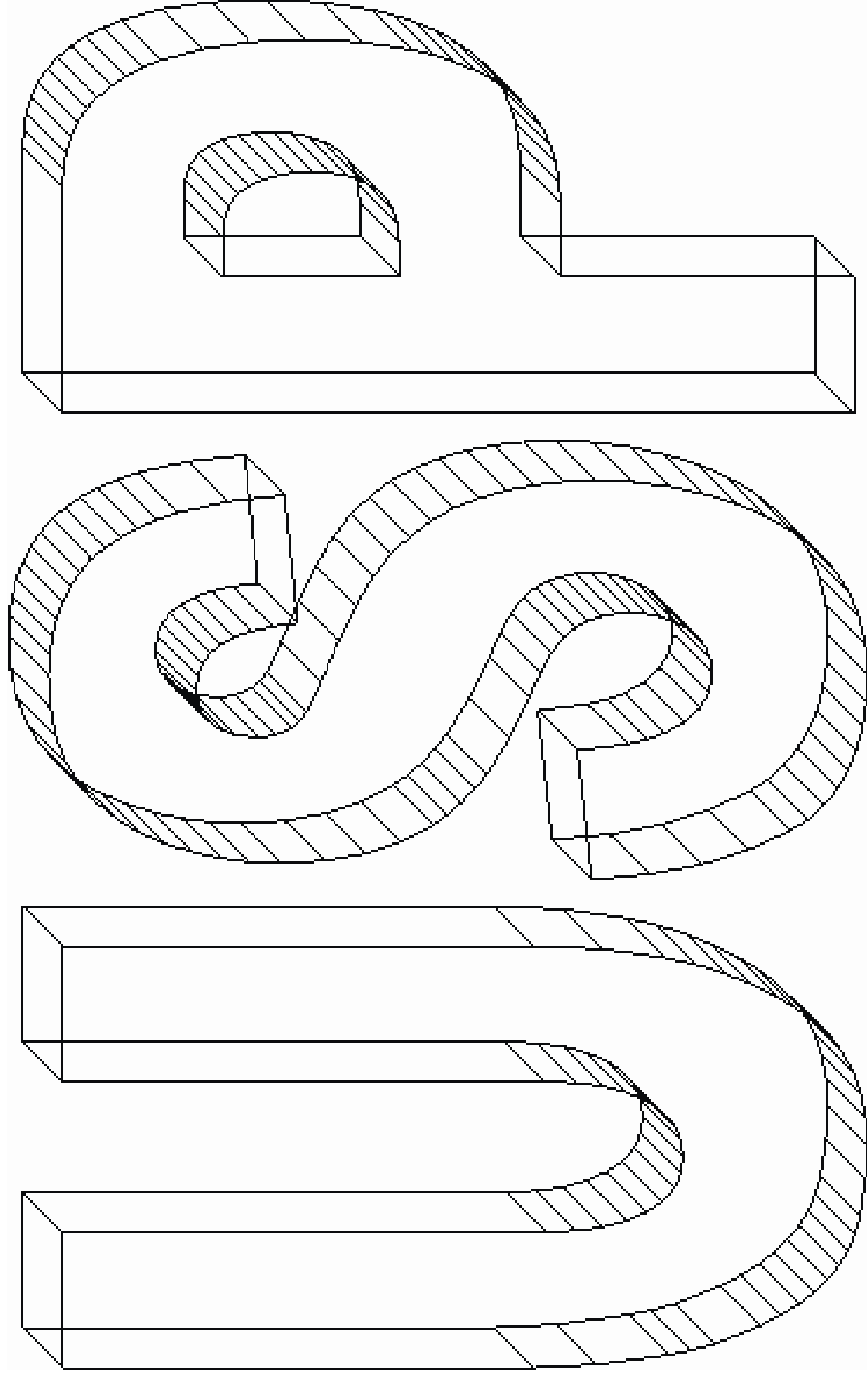
**The right offer should be so attractive that only a  
lunatic would say “no”.**

- *Claude Hopkins*





# Unique Selling Proposition ...





# A.I.D.A.

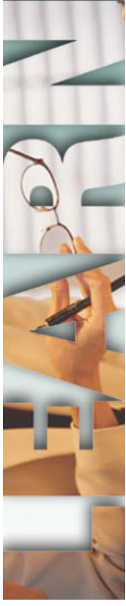
■ Attention

■ Interest

■ Desire

■ Action

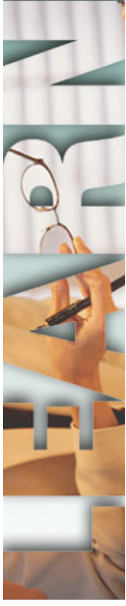




# Proven Strategies for Compelling Copy

- Focus on specific benefits, not generalities
- Address the pain point and solve their problem
- Use active tense to generate action and involvement!
- Engage emotions; get them excited!
- Make them curious to find out more
- Write one-to-one and like you talk naturally



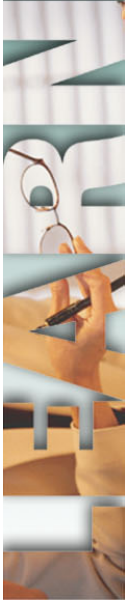


# Proven Strategies for Compelling

## Copy *continued* ...

- Each phrase should make the reader/listener want more: The only job of a headline is to get the first sentence read; the only job of the first sentence is to get the second sentence read and so on.
- Emphasize words that sell – e.g. free, new, dream, fun, money, save, etc. De-emphasize words that are scary – commitment, liability, obligation, cost, etc.
- Call to action; give a reason to respond





## **Above all....**

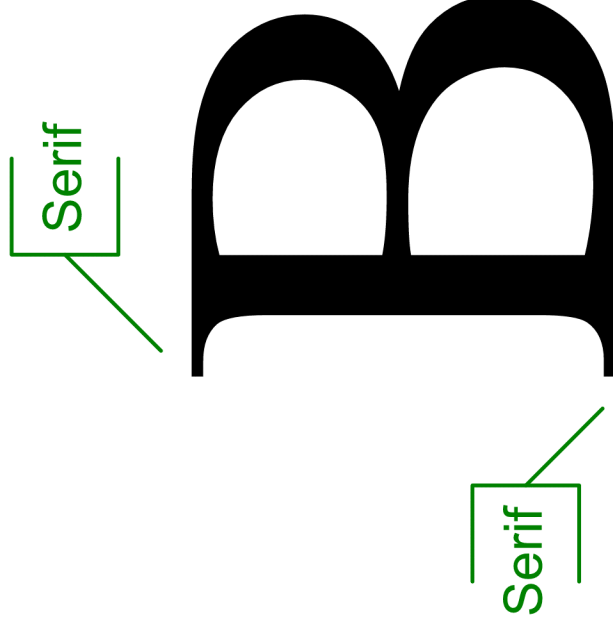
“When you choose words and phrases for force communication, clarity is paramount. Don't let any other component of the communications mix interfere with it.”

- *Herschell Gordon Lewis*





# Increasing Readability — The Serif Font





# Additional Typeface “Rules”

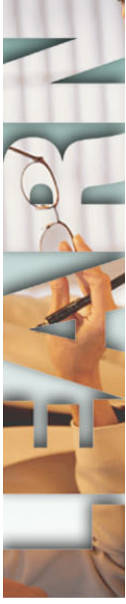
- In print, research\* shows serif is 5 times more readable than sans serif. Don’t use sans serif in body copy!
- Research shows comprehension of reverse type is near ZERO. Don’t use reverse type for any copy that matters or is longer than a few words.
- Colored type and colored backgrounds are shown to reduce comprehension. Use them sparingly.

\*Colin Wheildon, *Type & Layout: How Typography and Design Can Get Your Message Across—Or Get in the Way.*

Based on a nine-year study into the readability and perception of various typographic elements.







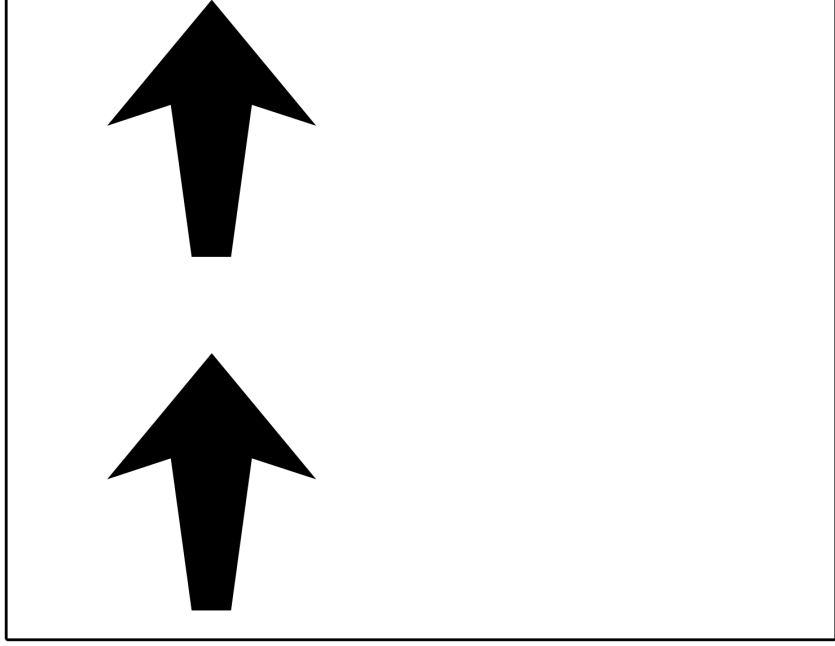
# The Font Rules for Web Type

- Body copy should be either
  - A high, legibility commonly available (on most computers) sans serif (like Arial) or
  - A serif font designed for the web like Georgia.
  - Really small type is more legible in sans serif



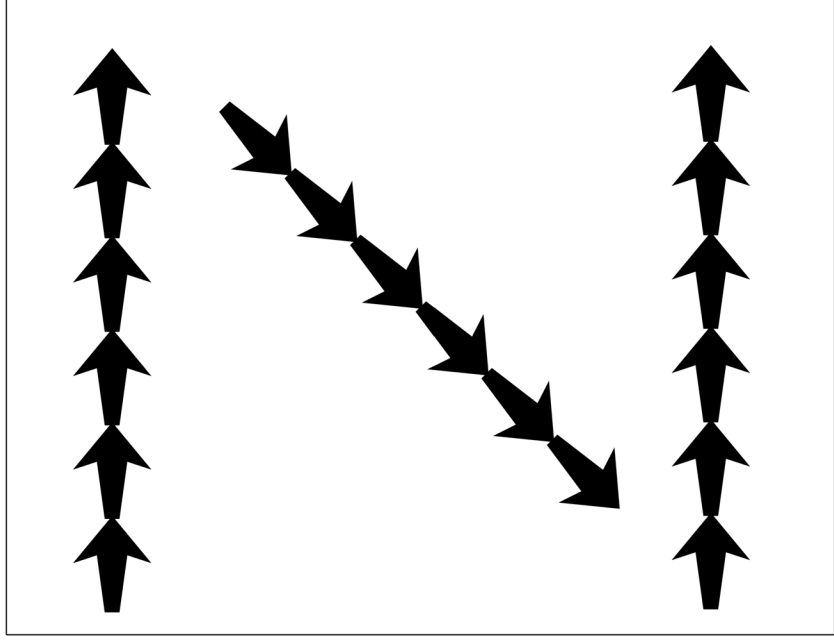


# The Straight Scan





# The “Z” Scan







# 2005 Direct Marketing Driven Sales and ROI

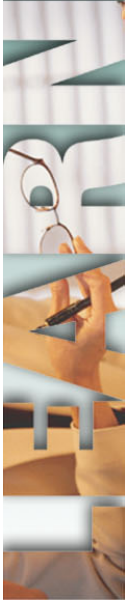
Source: *The Direct Marketing Association*

	2005 DM-Driven Sales*	ROI**
Direct Mail (Non-Catalog)	\$483.8	\$15.63
Direct Mail (Catalog)	\$133.4	\$7.09
Telephone Marketing	\$402.6	\$8.55
Internet Marketing	\$284.0	\$22.73
Commercial E-Mail	\$17.1	\$58.82
Direct Newspaper	\$213.6	\$17.24
Direct Magazine	\$89.1	\$10.31
Direct Television	\$150.1	\$6.99
Direct Radio	\$48.0	\$8.70
Insert Media	\$10.2	\$11.76
Other	\$18.6	\$6.99
<b>TOTAL/AVERAGE</b>	<b>\$1,850.5</b>	<b>\$11.49</b>

\* in billions US\$

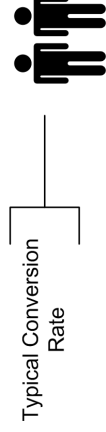
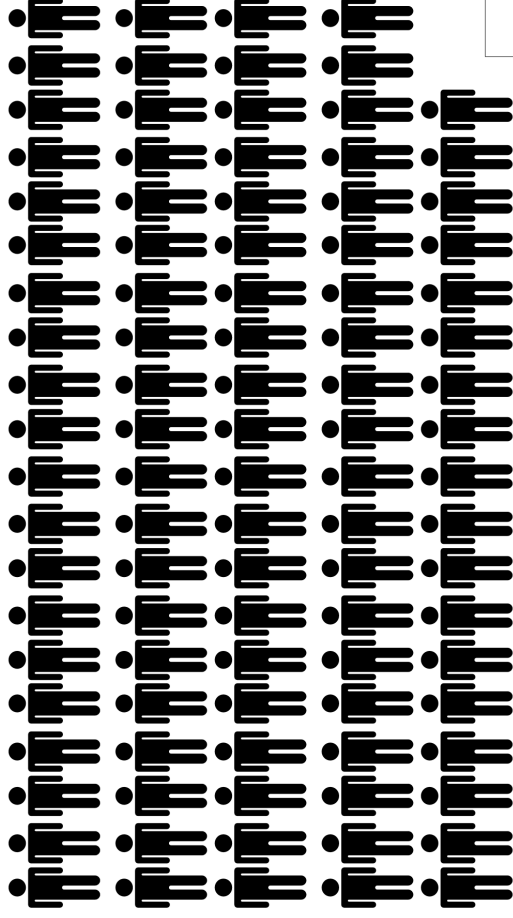
\*\* ROI = Dollars earned for every \$1 spent

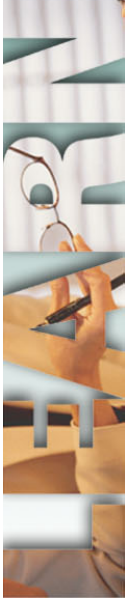




# Direct Mail Challenges

Normal Direct Mail Conversion Rate





# How to exceed the average 1%-2% response rate....

- Integrated Multi-channel Marketing – consistent messages and creative across multiple channels lifts response higher than individual channels
- Sell more to existing customers rather than hunting for new customers
- Personalization – not just a smattering of the individual’s name, but truly personalizing to their experience





## Direct Mail Envelope Example

**Q-LINK**  
2901 W. Coast Highway, Suite 310  
Newport Beach, CA 92663

Personalized 1st Class  
U.S. Postage  
**PAID**  
Santa Ana, CA  
Permit No. 1135

**NEW POWER to heal.**

**NEW Q-LINK PENDANT**  
**... YOURS FREE**

OFFER EXPIRES JANUARY 10, 2006

**INSIDE:**  
Good news for your clients ... and your business







# Direct Mail Letter Example



201 W. Coast Highway, Suite 310  
Newport Beach, CA 92663

## NEW PARTNERS

Enjoy great discounts and exceptional support  
on the Q-Link products your clients value

Dear Health Promoter,

I'm writing with important news about Q-Link technology and about the companies working together to help you share this breakthrough with others.

Let's start with the companies. In the past, you've purchased your Q-Link pendants from Clarus Products International.

Now, Clarus has launched QLink Products, Inc. to manage marketing and customer service. So from now on, we'll be your partner for ordering Q-Link products.

Why did Clarus launch a new division? The answer is focus. Just as Q-Link helps promote better concentration, we manage the marketing so Clarus can focus exclusively on improving Q-Link technology and developing new products.

**This "what we do best" focus rewards you TWICE.**

Our team brings you marketing expertise and exceptional Customer Service. We've already set up a website and fax line exclusively for distributors so you can order direct and faster than ever - at wholesale prices. We've also committed to offering you great deals. In fact ...

**We'd like to start off our new relationship  
by offering you FREE Q-link pendants ...**

I'll tell you more about this Special Offer in just a moment - right after I tell you how Clarus' new focus brings you great service, plus great science. You see, with QLink Products, Inc. handling marketing, Clarus is free to innovate. The exciting news is that this has already produced a Partner QLink!

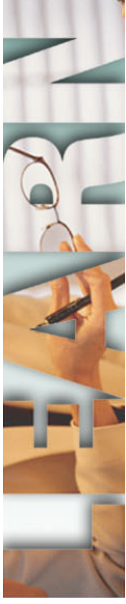
That's right! Clarus has pioneered a way to compact the crystal mass at the heart of Q-Link to achieve next-generation Sympathetic

over please



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# Catalogs

- Special discipline of direct mail – graphics and merchandise leads; copy follows
- Catalog Hot Spots
  - Front and Back Cover – set the stage
  - Inside Front Cover – welcome, special offers
  - Center Spread (*surrounding order form*) – impulse items
  - Inside Back Cover – *strong offers for back to front readers*
- Heft matters in the mailbox!





# Catalog Cover Example

**Authentic  
Indoor  
Sunshine**  
for better vision,  
mood and  
lifelong health

SPRING 2005  
**Verilux**<sup>®</sup>  
Better Light for Health and Sight™

**NEW!** Heritage™  
Natural Daylight  
Lamps  
*Sleek styling and advanced  
new glare protection*  
See page 3.

**Don't  
miss FREE  
SHIPPING!**  
Offer expires  
SOON...

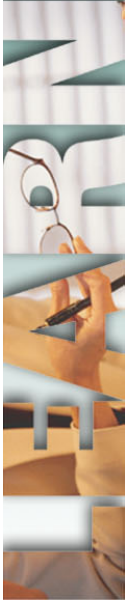
**FREE!** Utility Tray  
*See page 4.*

**NEW!** 20% brighter light  
and newly enhanced  
features  
*See page 4.*

**FREE SHIPPING!**  
Offer expires June 10, 2005 • See page 2

[www.HealthyLight.com](http://www.HealthyLight.com) • 1-800-454-4408





# Inserts

- Package inserts
- Statement stuffers
- Co-op inserts
- Card packs
- Blow-ins





# Package Insert Samples

**"Verilux Lamps... are far superior... with regards to glare reduction than any of the other specialized lighting...."**  
Helen Keller Services for the Blind

**See the Verilux difference yourself, truly RISK-FREE**

*Verilux Full Spectrum light*  
Light from an ordinary bulb

**Books, crafts, computer screens: All so much easier to see!**

- ▶ **FREE Book/Travel Light** — \$24.95 value — keep it even if you return the lamp
- ▶ **FREE Utility Tray** — \$29.95 value included with the lamp
- ▶ **FREE Shipping** — \$11.95 value — but you won't pay a penny for shipping or handling
- ▶ **RISK-FREE 2-month trial** — See the difference Verilux makes to your eyes, your health and your life. If you're not delighted, return the lamp for a 100% refund. **WE EVEN PAY THE RETURN POSTAGE** so you don't risk a penny!

**HURRY! Offer Expires 12/05/05**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/Zip \_\_\_\_\_

**BUSINESS REPLY MAIL**  
First-Class Mail • Permit No. 830 • Stamford, CT

**VERILUX**  
P.O. Box 2455  
Stamford, CT 06906-0455

NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES

**You don't risk a penny ... and you keep a FREE gift An offer as amazing as the Verilux lamp!**

- Less glare: Exclusive parabolic light diffuser
- Healthier: Patented bulb supports better vision and mood
- 20% brighter: Reflector boosts light, lowers energy costs.
- Flexible Steel gooseneck offers flexibility and durability
- Sturdy: Single-shaft, "no-tip" construction lasts a lifetime
- Flicker-free: Outperforms cheap, magnetic ballasts
- Safe: UL Listed

**Trust your eyes to Verilux**

Only original Verilux brings you advanced vision technology that lasts a lifetime

	Verilux	Others
Over 50 years R&D	✓	—
Trochleite Phospor Technology™	✓	—
Flicker-Elimination Technology™	✓	—
Parabolic light diffuser	✓	—
Precision-engineered stability	✓	—
Extra-long power cord	✓	—

See even finer print, headache-free!

**Try the Verilux lamp now**  
**Save \$30**  
**+ FREE GIFT**  
**absolutely NO STRINGS and ZERO RISK!**

**1-800-454-4408**  
[www.Save.VeriluxLight.com](http://www.Save.VeriluxLight.com)

**VERILUX**  
LIFE IN A BETTER LIGHT.

**Verilux Natural Spectrum® Lamp**

**Try the world's best lamp absolutely RISK-FREE!**

**FREE Book/Travel Light** — \$24.95 value — Yours even if you return the lamp

**FREE Utility Tray** — \$29.95 value included with the lamp

**FREE Shipping** — \$11.95 value — Yours even if you return the lamp

**RISK-FREE 2-month trial** — WE pay postage if you return the lamp for an iron-clad 100% refund of every penny

**BETTER VISION** — Put your reading glasses away!

**LESS EYE STRAIN** — Word, read or craft for hours with ease

**PURE ENJOYMENT** — Clearer colors and a brighter mood are just the start!

**Hurry! Special Offer Expires 12/05/05**

# Package Insert Samples

**VERILUX®**  
Life in a Better Light™

Try the world's best lamps  
for 2 months absolutely  
**RISK-FREE!**  
*No eyestrain! No squinting! No strings!*

**NEW DECORATOR FINISH!**  
Verilux Natural Spectrum® High-vision lighting in new burli finish. See p. 3

*Fine print?  
No problem!*

**Original Natural Spectrum Deluxe Desk Lamp** optimizes contrast for easier reading. See p. 4

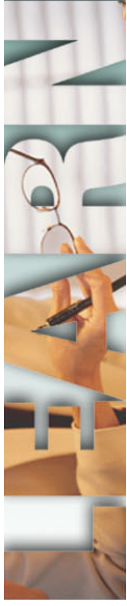
**3 STYLISH FINISHES Available**

- Burli
- Graphite
- Ivory

**FREE**

- ▶ **FREE GIFT with every order!**
- ▶ 2 Verilux Sunshine in a Box® Bulbs—our best selling bulb
- ▶ **FREE SHIPPING on every order!**





# Direct Radio

- Fewer options than DRTV, but lower costs
- Product must lend itself to an easy aural explanation
- Prerecorded spots allow you maximum control
- Frequency is key



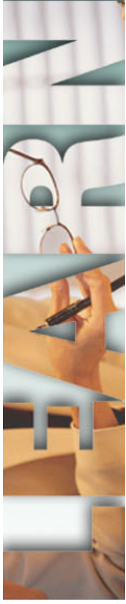


# DRTV

- Spots  
30, 60, 90, or 120 seconds
- Infomercials  
28 Minutes
- Home Shopping Channels



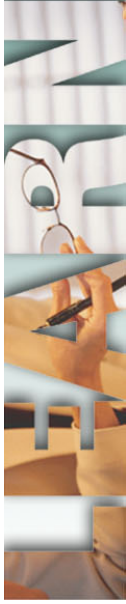




# DRTV – Can it make sense for your product or brand?

- Easily demonstrable benefits
- Testimonials
  - lots of them
  - specificity sells
- Five to one ratio of price to cost of goods
- How rigidly you apply this rule depends on factors unique to your brand’s goals.
  - 100% Direct Response or driving retail sales as well?
  - How strong is your back end? Do you have a solid continuity or catalog program?





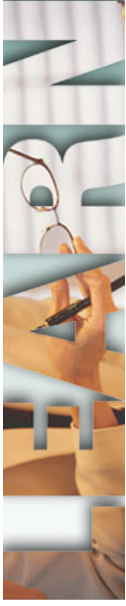
# As With Any Other Media ...

*Not every product line and customer base are suited to DRTV or DR radio!*



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# What is the most effective driver of web traffic?

**Off line promotions** – direct mail, DRTV, space ads. Off line promotions drive direct traffic to web sites, landing pages, and search engines.

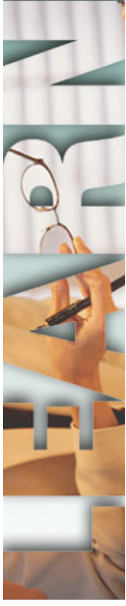




# Web site conversions

- Average eCommerce conversions are 3%
- *But...*
  - *16% of eCommerce sites have < 1% conversion*
  - *18% convert between 1%-2%*
  - *14% convert between 2%-3%*
- There are improvements to be made!

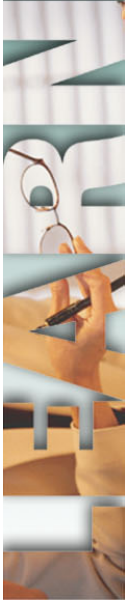




# How to improve web site conversions

- Clear call to action – sign up, order, register, etc.
- Easy to navigate and find what I want *quickly*
- Trust/Security concerns addressed – ScanAlert, Verisign, BBB
- A/B testing of everything from layouts to copy positions to photos. But – test one thing at a time!

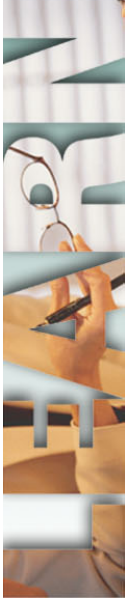




# Shopping Cart Abandonment: you drove them to the web but...

- Getting someone to your site, and put items in their cart is not enough. They must actually make the purchase and submit their cart!
- Over 50% of carts are abandoned. And 30% of marketers don't even know their abandon rate!
- The most **resolvable** common reasons for abandoned shopping carts:
  - Forcing account registration to buy
  - Excessive shipping rates; shipping disclosed too late in the process
  - Long or complex checkout process: fewer steps = more sales





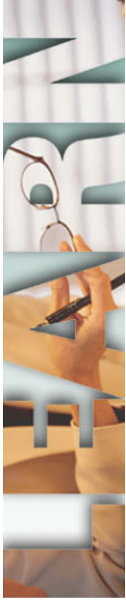
# Shopping Cart Abandonment

*continued .....*

## ■ Additional Tips:

- Use a perpetual shopping cart
  - Email the cart contents right away with a discount to come back and buy within 48 hours
  - Email a few days before the perpetual cart expires
- Omit navigation from shopping cart – keep shopper focused on the matter at hand!
- Pop-up on exit with discount to complete the purchase  
**NOW**



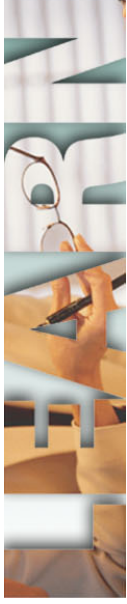


# Search Marketing

- According to Jupiter Research
  - Search is a \$5 billion business now
  - Will surpass total spending on space ads in 2009
- Organic
- Paid Search
  - Selecting Terms
    - Generic
    - Specific
    - Brand



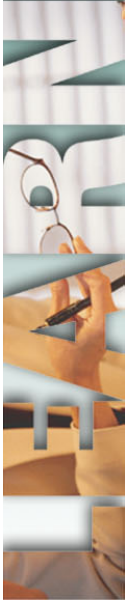




# Improving email results

1. Relevant, personalized and customized – offers based on past behavior, reported interests
2. Sent in the format requested (text or HTML)
3. Increase Open Rates
  - Use of Goodmail (1/4 cent per e-mail), bonded sender and other “White hat” endorsements
  - Avoid current spam filter phrases resulting in “false positive” spam (CAPS, certain words, etc.)



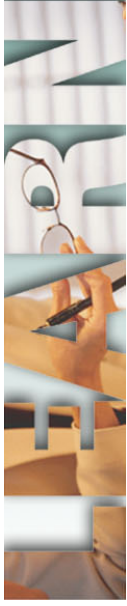


# Improving email results *continued...*

4. A/B Testing
5. Send Date and Time \*
  - Best days tracked for opens: Friday, Thursday
  - Best days tracked for click throughs: Sunday Friday
  - Seasonality issue: Sunday click through rates are awful in the summer

\* Exact Target 2005 study

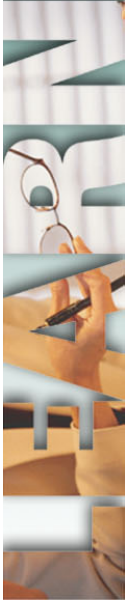




# Why use a landing page or targeted mini-site?

- Integrated multi-channel approach
- Reinforce and confirm the message from your offline promotion
- Persuade your customer/prospect with additional sales information or tools your offline promotion couldn't include
- Simplified offer and call to action – fewer options and decisions = more sales

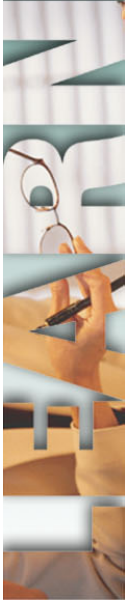




# Benefits of media diversification

- Reduce company risk
  - Environmental factors
  - Be more competitive
  - Testing benefits



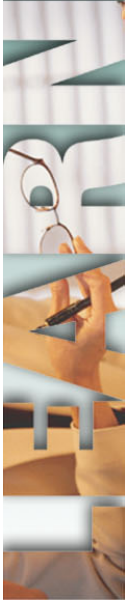


# How to diversify?

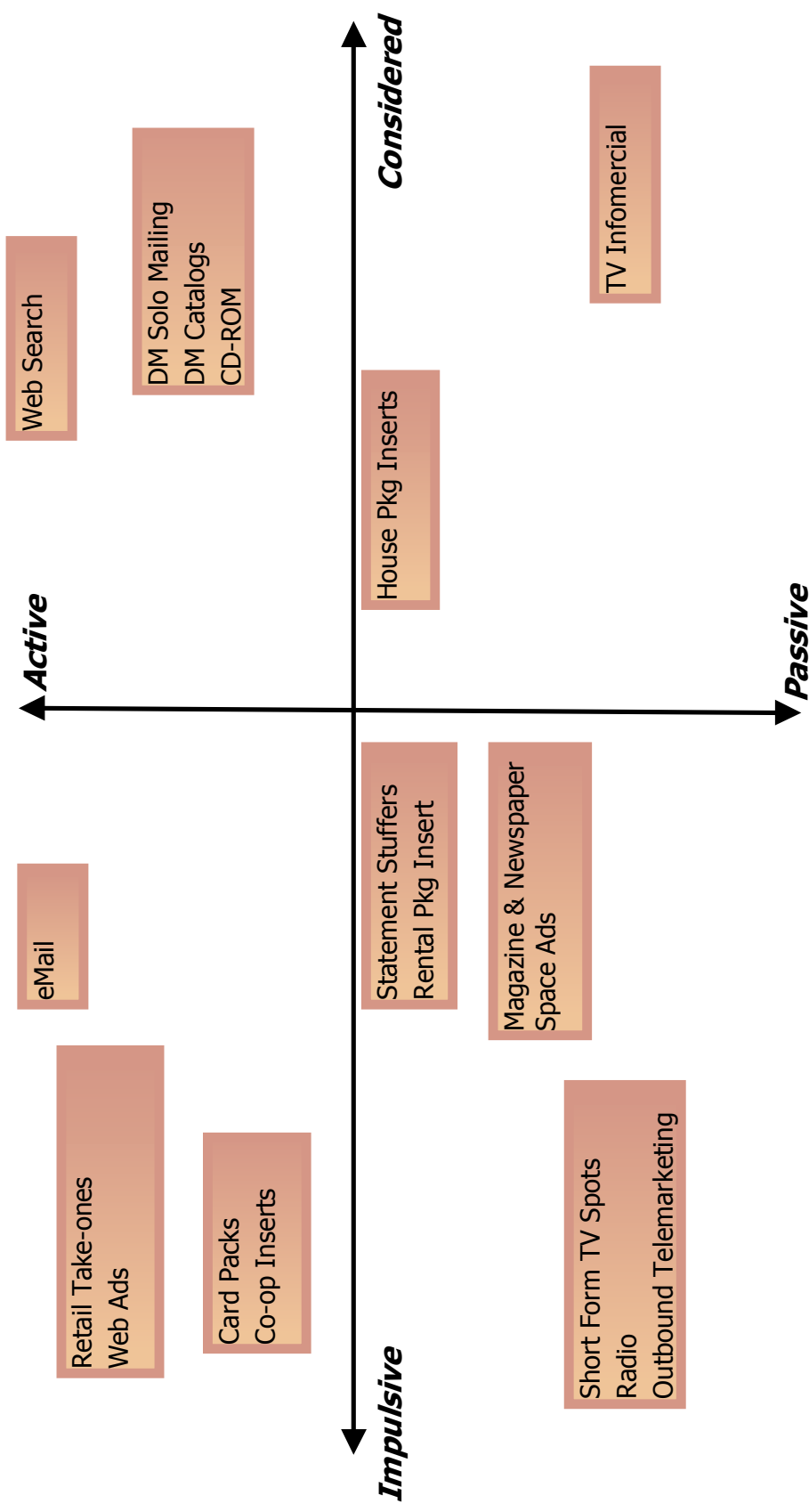
What media are you using now?

What should you try next?

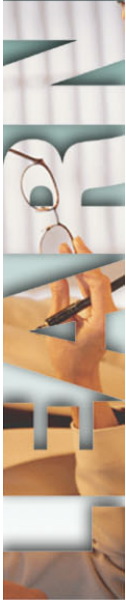




# The Active/Passive, Impulsive/Considered Continuums



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**Thank You for attending!**



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