

The power of two

Smart marketers have realised that successful direct marketing is not a one-way street – the most effective way to reach customers is through integrated campaigns. Here, we gain some insights from industry experts and look at three successful campaigns.

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When the internet first hit the mainstream in the mid-1990s, marketers were quick to see its potential as a marketing channel.

But while the past decade has certainly seen the rise of the digital medium, it has also seen direct mail go from strength to strength.

While this may seem a paradox, the growth in digital has actually played an important role in helping direct mail to thrive. In exploring the best possible way of engaging with consumers, marketers have discovered that using the two channels in tandem is a highly successful and effective way to achieve their campaign objectives.

"The possibilities of digital did seem to present a threat to mail and it was certainly tipped that it would eventually spell the death of all forms of print," says Rob Edwards, CEO of the Australian Direct Marketing Association (ADMA).

"But as digital has matured, it has become apparent that the anticipated cannibalisation hasn't really occurred. It's not simply a case of 'either / or' for marketers in their planning – digital hasn't supplanted mail, it has been incorporated into marketing strategy as a new but vital and transformative channel. The uptake of digital has also ended up creating new avenues for mail, as many campaigns that start out with mail are fulfilled online."

There are a number of other reasons for the ongoing popularity of mail with marketers: as a tangible brand engagement tool, it can be highly targeted and personalised and can appeal to the senses. Combining these benefits with digital channels enables marketers to develop integrated campaigns that take consumers on a journey – from their mail box to a website and ultimately to the "pointy end" of the campaign, be it an online store, a retail outlet or another selling environment.

Chris Fiteni, director of strategy at Nucleus Digital Strategy, cites the Mazda 3 launch as an example of a dynamic integrated campaign. In this case, existing leads and past Mazda customers were driven to a campaign site by direct mail. Mazda then used email to engage with the audience on an ongoing basis and build hype around the product. When the Mazda 3 eventually hit the market, customers were targeted with both direct mail and email to move them into Mazda dealerships where they could test-drive the product.

"It demonstrated a clear understanding of how people research and buy cars and how to use the various marketing tools at

hand to move them along the purchase path," he says.

However, Fiteni argues that driving customers to a website is not necessarily the ideal call to action for all customers and situations. "Not all customers engage with digital channels – the aged and some non-English-speaking people, for example," he says.

"Also, not everyone has access to the internet during work hours. Plus, sometimes the most effective way to convert customers is to have them speak to another human being. It comes down to knowing how to communicate best with customers and facilitate their path to purchase."

Edwards agrees, arguing there is no prescription for the role of mail and that it all comes down to understanding your audience.

"Mail is a versatile medium that can be used equally well for acquisition, fulfilment or retention," he says. "The same can't always be said of email, for instance. Although on the surface it's cost-effective, email marketing is heavily regulated by anti-spam legislation that precludes or hobbles many marketing activities. And even when email is permissible, it can be argued that open rates and click-throughs are comparatively poor when stacked up against mail. In the end, it really depends on the existing relationship you have with customers."

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Malcolm Auld, principal of Malcolm Auld Direct and The Marketing Campus, believes the smartest marketers are integrating mail and digital channels, as well as SMS and the telephone, to engage consumers.

"Take the wine clubs, for example," he says. "I belong to a good one that each month sends me postcards, a catalogue and a couple of emails. The wine clubs that simply moved from mail to email have really struggled to get their email campaigns to perform as well as their mail campaigns used to – they have to send a lot of messages to get return on investment."



Chris Fiteni, from Nucleus Digital Strategy, suggests five key points to remember when planning an integrated marketing campaign.

1 **Have specific objectives** – you may be surprised at how many marketers don't!

2 **Know your customers** – understand how they use the channels you intend to lead them through.

3 **Map the customer journey** – go through the exercise of drawing a diagram that maps out the various paths or scenarios that are likely to occur and how you will combat each (with communications or marketing activities). If you can't do this then you probably need to spend some further time planning.

4 **Keep it personal** – speak to your customers as if you know them. Use their name. Demonstrate that you understand their needs (even if they may not be entrenched customers yet).

5 **Measure, measure, measure** – if you can't measure what's working and what's not, then how do you know if you are making an impact and how can you make informed decisions next time?

"Another technique is to use mail for solicitation and email and SMS for customer service to advise that a product has been despatched or to confirm an appointment."

Auld argues that marketers must understand the unique strengths of both direct mail and digital when planning their campaigns in order to get the best results. He warns marketers: don't be dazzled by digital.

"The digital age is very exciting for marketers, but remember what Confucius said: 'Men's natures are alike; it's their habits that drive them apart.'"

"There is very little new behaviour being demonstrated on the internet; it's just different habits as a result of new technology. We've always gossiped and asked friends and family for opinions; now we're able to see this chatter on social networks. By all means, get involved in the digital channels but not at the complete expense of other proven channels."



COMPANY:
OPTUS
CAMPAIGN:
MY ACCOUNT LAUNCH

BACKGROUND Optus is a provider of integrated telecommunications, delivering cutting-edge communications, information technology and entertainment services. The Optus Consumer Division was formed to focus on the online consumer market for both mobile and fixed-line products.

CHALLENGE In 2008, Optus launched an online self-service capability called My Account. The challenge Optus faced was to expand its online My Account user base as quickly and efficiently as possible.

STRATEGY A comprehensive marketing campaign aimed at Optus customers and staff was undertaken. The main objective was to ensure that both target groups were aware of the benefits of the new My Account capability and understood how it worked.

MEDIA CHANNELS Direct mail was the primary medium used for customer contact.

Its role was to build customer awareness and understanding of Optus's online capabilities. The medium allowed Optus to provide a more complex level of information and education to ensure customers' expectations were properly managed. It also meant Optus could incorporate "bill inserts" into its customers' paper billing cycle to reinforce key messages and reach close to 100 per cent of a huge customer base.

The role of the email component of the campaign was to drive recall and recognition from customers who had not yet converted after receiving the original direct mailing. Email provided Optus with a speed to market and clarity of reporting that offered immediate insights and allowed it to optimise the campaign and drive higher conversions.

While the direct-mail and eDM components of the campaign developed education and awareness within the existing customer base, an in-store component ensured that new and prospective customers were made aware of Optus's My Account capabilities.



COMPANY:
OFFICEMAX
CAMPAIGN:
**TARGETING NEW
MARKETS**

BACKGROUND OfficeMax is a provider of office products, with distribution centres and offices in every major capital city in Australia. Over the past two years, OfficeMax has undergone a significant transformation, aligning more closely with its Fortune 500 US parent and developing a vibrant new brand identity, clearer value proposition and new strategic plan.

CHALLENGE With OfficeMax's traditional business model built on servicing the

business-to-business market, there had been limited engagement with small businesses, home office managers and general retail consumers.

OfficeMax was aware that it had the capability to add value in these markets, given its existing logistics capability, supplier relationships, infrastructure and intellectual property in the office products market.

STRATEGY The basic offer was simple: "Guess how many rubber bands in the



INTEGRATION To drive the effectiveness of the campaign, each media component was integrated to make sure the creative elements were consistent.

Customers first received the direct-mail piece, which provided details of Optus's new online capabilities, the benefits to the customer and how they could use My Account.

If within a six-week period the customer had not yet taken up this capability, an eDM was sent, featuring the same creative elements of the original direct-mail piece, but with more emphasis on the benefits and the process to get started.

RESULTS Optus My Account has recently connected its one-millionth customer.



“We wanted to use the most cost-effective and customer-relevant way to achieve our desired business outcome. This meant speaking to our customers in their language and ensuring that the message reached them. We know the only way to achieve this is with fully integrated campaigns.”

**Crispin Tristram, General Manager,
Consumer Online, SingTel Optus Ltd**

OfficeMax Rubberband Ball – and win \$5000.” Using OfficeMax’s Rubberband Ball landmark as the promotional hook served the dual purpose of raising awareness of the brand and offer while providing the platform to personalise each direct-mail piece in a fun and engaging manner.

The initial direct-mail piece was mailed to 14,000 small business prospects, who were selected based on industry groupings. Those prospects were provided with a personal URL and those who logged on to enter the promotion were offered the opportunity to register for future contact and, naturally, to shop online at OfficeMax’s business-to-consumer website, The OfficeMax Shop.

To broaden the reach of the campaign, the initial prospects mailed were also prompted at their personal URL site to record the details of friends and colleagues they’d like the offer extended to. These people received an email offer with their own personal URL. All competition entrants answered four simple questions about their business and office supply purchasing habits.

In addition, the initial direct mailing included a copy of OfficeMax’s printed monthly brochure, *Everyday Solutions*, which gave

“We chose an integrated campaign model because it enabled us to reach a significant validated database of small-business decision-makers by traditional means and then invite them into our online environment.”

**Brad Hyde, Australasian Brand Manager,
OfficeMax**

prospects an immediate feel for the breadth, depth and competitiveness of its product range.

MEDIA CHANNELS In conjunction with Australia Post, Propellor and Digital Logic, this integrated campaign introduced OfficeMax to its prospects through direct mail and invited them to interact with the company digitally via their personal URL.

A follow-up postcard was then mailed to all prospects who had not viewed their personal URL mid-way through the campaign.

The direct-mail component was the linchpin of the program. It enabled OfficeMax to talk to the individuals being targeted, present their brand in the best possible light and communicate their offer. Personalising the Rubberband Ball with the prospect’s name was the creative hook used to cut through and stand out from the norm.

RESULTS The integrated approach proved to be a success. Sales at the online OfficeMax Shop spiked during the campaign and OfficeMax started relationships with a raft of new customers they had targeted through the campaign.

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COMPANY:
CA
 CAMPAIGN:
**SEMINAR
 REGISTRATIONS**

BACKGROUND CA is one of the world's largest IT management software providers, with headquarters in the United States and 150 offices in 45 countries.

CHALLENGE In Australia, CA holds frequent seminars for IT customers and prospects as a prominent part of their business development and lead progression efforts. When the numbers attending these seminars began to drop off, CA realised it needed to assess how people were enticed to attend.

STRATEGY For their breakfast series on best-practice service management, CA decided it was time to give the solicitation approach and process a serious overhaul. A high-impact campaign to encourage registrations was developed which included:

- a personal "heads-up" email asking recipients to save the date and alerting them to watch their mail for an invitation from the speaker. It also provided an option to click

through for a "sneak peak" of the invitation and an early registration tab

- a high-impact dimensional mail invitation, including a personal appeal from the expert speaker himself
- a follow-up email to non-responders
- online registration via a purpose-specific landing page that re-sold the benefits of the breakfast forum and encouraged respondents to complete their registration
- an additional phone registration option for those who preferred to respond that way.

Respondents who registered then received online confirmation and three follow-up "thank you" and reminder emails.

RESULTS The campaign produced 143 registrations (78 per cent above target) and 92 attendees (53 per cent above target), with a substantially lower no-show rate than for previous seminars.

The mail invitation accounted for 33 per cent of those registrations. ■

"This is an example of why smart marketers can't afford to relegate direct mail to the 'old hat' bin. In a marketplace awash with digital communications, smart, targeted, personal direct mail can make all the difference. In combination with smart use of digital channels, it's even more of a powerhouse."

Linda Loose, Linda Loose Marketing & Communications

