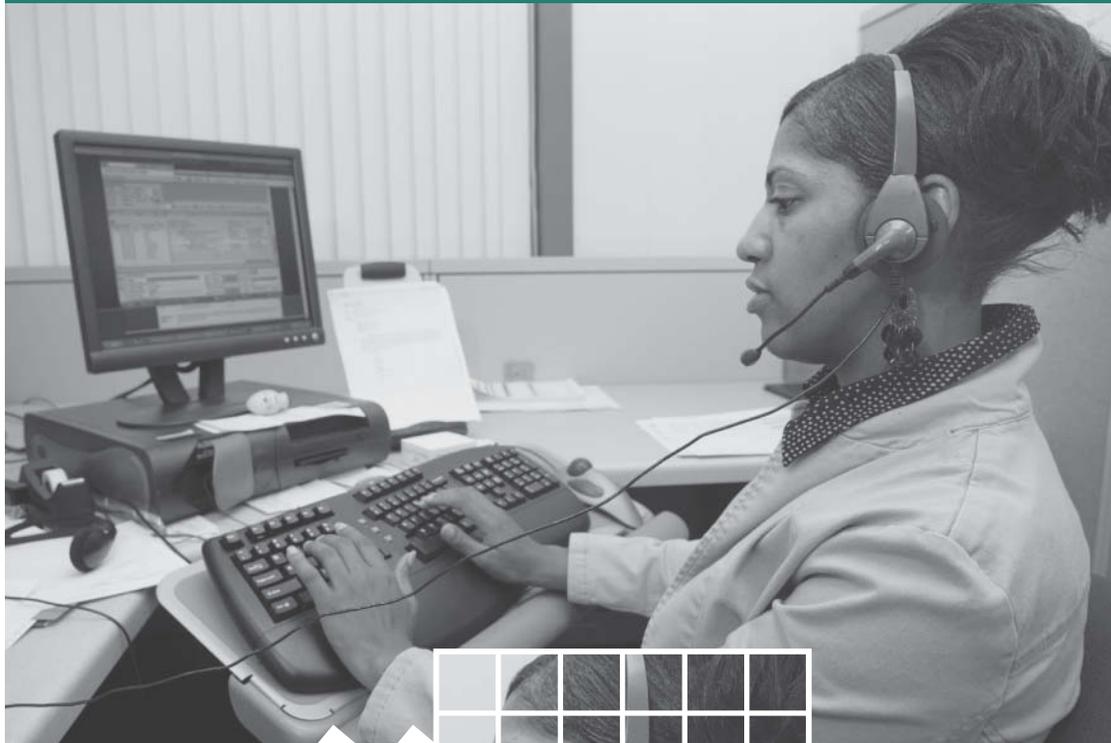


Planning for Direct Response Communications

CHAPTER

6



David H. Lewis/Stockphoto.com



Learning Objectives

After studying this chapter, you will be able to

1. Describe the direct response marketing communications planning process
2. Describe the various forms of direct response communications
3. Assess the role of database management techniques in the design and implementation of direct response strategies
4. Evaluate various external sources of list information and evaluate the role of lists in building an effective direct response campaign
5. Explain the role and nature, and advantages and disadvantages, of the various forms of direct response communications

Some of the discussion in previous chapters indicates that consumers' media habits are changing. There is a migration away from mass media, such as print and broadcast media, and toward direct and interactive media. As well, advancing technology has created a means for organizations to communicate with customers on an individual basis. In Chapter 1, the concepts of customer relationship management (CRM) and database marketing were introduced. Both concepts influence the development of programs that are designed to attract, cultivate, and maximize the return for each customer with whom the company does business. The end result is that companies are combining mass communications and marketing techniques with micro-marketing techniques. Database management and its influence on integrated marketing communications programs are discussed in more detail in this chapter. Information—that is, quality information—is the backbone of a direct response communications strategy.

Direct response communications include direct mail, direct response communications in the mass media (mainly television, magazines, and newspapers), telemarketing, and catalogue marketing. Direct mail is the most common means of delivering messages directly to consumers, but advances in technology and database management techniques offer great potential for catalogues and the Internet to become more important in the mix. Internet communications are discussed in detail in Chapter 7. Using database management techniques, a company can look at a customer over an entire lifetime and plan appropriate strategies to encourage customers to buy more often or in larger quantities. Communicating directly with customers makes the entire process much more personal.

Direct Response Communications and Direct Marketing

Just how important are direct response communications and other direct marketing practices in Canada? Recent statistics suggest direct response communications and direct marketing have a significant impact on advertising expenditures and sales revenues for goods and services. Direct mail advertising alone accounts for \$1.24 billion in net advertising revenues in Canada. As an advertising medium, direct mail ranks fifth, just behind online, television, and newspapers.¹ When investments in direct response television, telemarketing, and catalogue marketing are included, the total investment in direct response communications is much higher.

Direct response communications are playing a more prominent role in the overall media mix of Canadian companies. Some of Canada's largest corporations have successfully integrated direct response communications with traditional forms of communications. These companies see the real value to be gained by managing customer relationships. Among these companies are Bell Canada, Rogers Communications, Shoppers Drug Mart, Mountain Equipment Co-op, and financial institutions such as RBC Financial Group and BMO Bank of Montreal.

Direct marketing and direct response communications will continue to grow for several reasons. First, companies want managers to be more accountable for the expenditures they oversee. Executives are looking for more immediate sales returns for the dollars they invest. The success of direct response advertising can be measured quickly. Second, the expanded use of customer relationship management techniques by organizations demonstrates the importance of forming good relationships with customers. Because direct response communications can be personalized, they constitute an ideal medium for nurturing relationships. Third, the availability of database management techniques provides the fuel that direct response communications run on. Assuming a database is available, an organization can now deliver unique and tailored messages to individual customers. Advantages such as these clearly indicate why prudent marketing organizations include direct response as part of their communications mix.

It is important to remember that direct response communications is a subset of direct marketing. In other words, the communications program is a component of a much larger direct marketing program. What is the distinction between the two practices? In **direct marketing**, products are developed, messages about the products are sent directly to customers (business-to-consumer or business-to-business) through a variety of media, orders are accepted, and then products are distributed directly to customers. In true direct marketing, all wholesale and retail intermediaries are eliminated.

In contrast, **direct response advertising** is advertising placed in any medium that generates an immediate and measurable response from the intended target. A direct response advertising plan involves the design and development of appropriate messages and the placement of messages in appropriate direct response media to encourage immediate action by the intended target. Alternatively, direct response advertising may be designed to build brand image, alter a perception, or attract a new target, much like other forms of advertising. Therefore, direct response advertising can be part of a fully integrated marketing communications campaign. Figure 6.1 illustrates the direct response planning process and its relationship with other components of marketing communications.

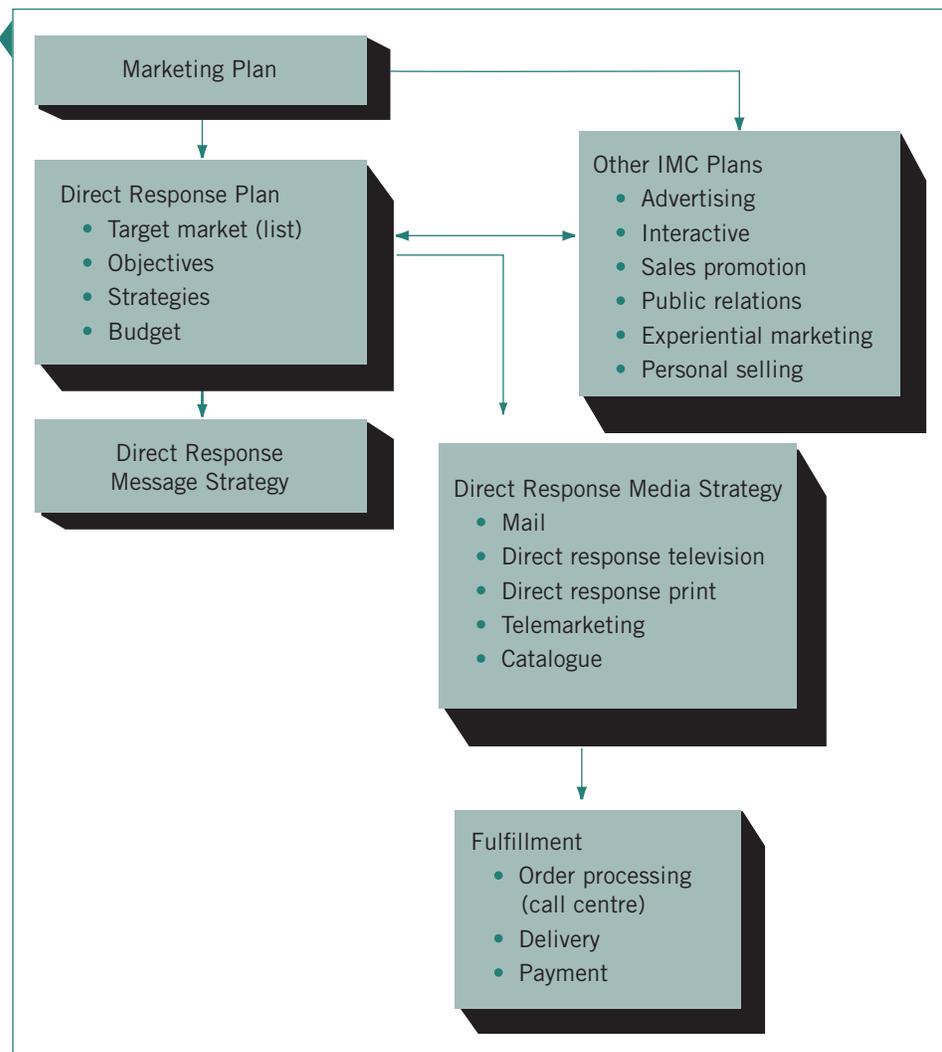
A direct response advertisement comprises three essential components: product information, a convincing sales message, and a response mechanism. The response mechanism or call to action is the most important component. The message should include a 1-800 number, a return mail address, or a website address where more information can be obtained or an order placed. In direct response advertising, the marketer must tell the customer what to do and how he or she will benefit. The inclusion of time-sensitive offers is an effective means of stimulating immediate action.

Unlike other mass media, direct response advertising is capable of making a sale. Assuming adequate order taking and fulfillment strategies are in place, the entire transaction process from creating awareness to delivering the product is possible in a short span of time. Further, the results of a direct response plan can be tracked and measured daily, providing a daily and weekly return on investment—significant information that is not available through other media. Return on investment in direct mail is significant. In the United States, advertisers spend \$167 per person on direct mail, earning \$2095 worth of goods sold, a 1300 percent return on investment.²

direct marketing A marketing system for developing products, sending messages directly to customers, and accepting orders through a variety of media, and then distributing the purchase directly to customers.

direct response advertising Advertising placed in a medium that generates an immediate and measurable response from the intended target.

FIGURE 6.1
The Direct Response Planning Process



Direct response communications can be divided between online communications and more traditional forms. Online communications are presented in Chapter 7. The traditional forms of direct response communications are direct mail, direct response in the mass media (TV or print), telemarketing, and catalogue marketing:

direct mail A printed form of direct response advertising distributed by Canada Post or independent delivery agents.

direct response television (DRTV) Advertising that appears on television and encourages viewers to respond by telephoning a toll-free number, by mail, or online; often referred to as infomercials.

Direct response print A response-oriented ad delivered to prospects by magazines or newspaper advertisements.

telemarketing The use of telecommunications to promote the products and services of a business; involves outbound calls (company to customer) and inbound calls (customer to company).

- **Direct mail** is a printed form of communications distributed to prospective consumers by Canada Post or independent delivery agents (for example, leaflets and flyers that can be dropped on a doorstep).
- **Direct response television (DRTV)** is a form of advertising communicated to prospects by television commercials that may be 30 seconds long, 60 seconds long, or in a program that could be 30 minutes long. Call-to-action information is included in the advertisement.
- **Direct response print** refers to ads that appear in magazines or newspapers that include call-to-action information so consumers can respond immediately to the offer.
- **Telemarketing** refers to outbound sales calls (a company calls the customer) or inbound sales calls (the customer contacts the company) to secure an order. All calls are usually handled through a call centre.

- **Catalogues** are important communications vehicles for retail organizations. Typically, they are mailed or hand delivered by independent agents to existing customers or they are distributed in stores.

catalogue A reference publication, usually annual or seasonal, distributed by large retail chains and direct marketing companies.

There was a time when direct response communications were a last-minute strategy—a technique to be used when things weren't working well. How the times have changed. Today, marketing organizations stress accountability and measurability. They want to know what they are getting for their investment. Consequently, most large full-service agencies now offer direct response expertise or have access to it. Many traditional advertising agencies have acquired direct response agencies. Such progression reinforces the importance of direct response communications in today's competitive business environment.

The Roots of Direct Response Communications: Database Management

Whether it's mail or telephone communications, there needs to be a convenient and efficient means of contacting customers. As experts in direct response communications often state, it's the list that makes or breaks the campaign. By list, they mean the list that will be used to contact current or prospective customers directly. That list is the backbone of the entire campaign; the quality of the list has a direct impact on the success or failure of the campaign.

Companies recognize that it costs about six times as much to acquire a new customer as it does to keep an existing customer. Consequently, companies compile databases to keep track of existing customers and form relationships with them through mail and electronic means. Obviously, the best list is a well-maintained and well-managed internal list of customers. Such a list is referred to as a **house list**. Since the best customers are current customers, it is much easier to get them to buy more of something than it is to attract a new customer. If the goal is to generate new business from new customers, lists can be obtained from external sources.

house list An internal customer list.

INTERNAL DATA SOURCES

A good database management system collects and maintains relevant information about customers. The information is stored in such a manner that managers have easy access to it when developing marketing strategies. For example, managers should be able to manipulate the data so that customer profiles will emerge and future purchase patterns can be forecast from those profiles. In other words, a thorough understanding of a customer's past purchasing behaviour should provide ammunition for predicting his or her future buying patterns. This is all part of a customer relationship management system, a concept presented earlier in the text.

COLLECTING DATA

The names and addresses of customers are the most common forms of internal data, but simply knowing who the customers are offers little perspective when developing a strategic plan. Factor in technology, and all kinds of information about customers can be combined. Keeping track of purchasing behaviour and then linking it to a name and address is very meaningful. Therefore, the database should identify what a customer purchases, how often the customer purchases, how much the customer spends on average, what brands of goods the customer prefers, and so on.

FIGURE
6.2

The Shoppers Optimum Database Provides Information that Produces Offers of Interest to Send to Shoppers Drug Mart Customers

Source: Courtesy of Shoppers Drug Mart.



Sophisticated retail organizations update this information automatically as goods are scanned through checkouts. Shoppers Drug Mart, for example, has an exhaustive database of customer information collected via its Shoppers Optimum loyalty program. From this information, buying behaviour profiles of a customer can be developed and special offers that are unique to an individual customer can be delivered to those who have consented to receive such offers. Refer to the image in Figure 6.2.

Adding external information to the database rounds out the profile of the customer. Information about customers using credit cards for purchases is readily available. Credit card companies, such as Visa and MasterCard, are sitting on nest eggs of information that marketing organizations can purchase. Statistics Canada makes available census data, which are updated every five years. This information is available at a reasonable cost to the marketing organization.

Demographic and psychographic information can also be obtained from commercial research companies such as Millward Brown, or a company can hire an independent research company to conduct primary research to uncover such information. The combination of information dealing with age, gender, education, income, marital status, and household formation; along with information about attitudes, lifestyles, interests, and hobbies forms an arsenal of information ready for use in strategic planning.

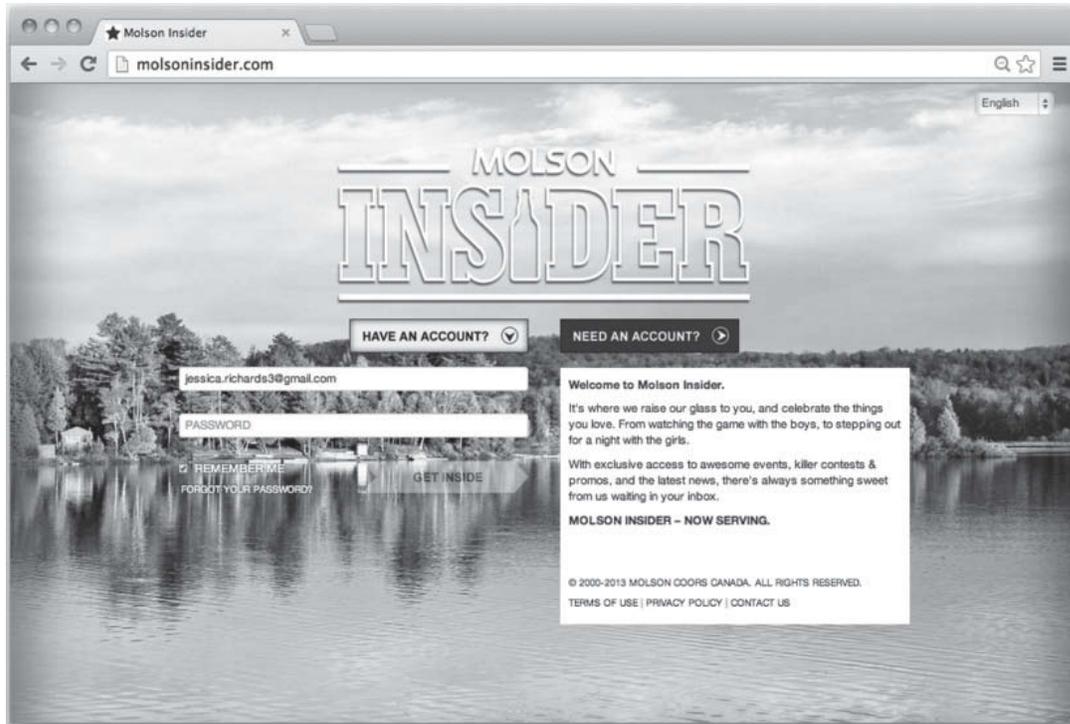
ACCESSING DATA

The second step in database management is devising a storage system that allows managers to access information easily when it is needed. In the realm of marketing communications, sales representatives and sales managers need instant access to customer sales records as they prepare for sales calls. Customer service personnel need access to historical information to handle complaints or simply serve customers better. Marketing managers and marketing communications managers need to clearly identify target customers and their behaviour to communicate directly with them and design special offers. To accomplish these kinds of tasks, relevant information must be convenient and accessible to all those who work with the database. Molson Canada, for example, has more than 1 million customers in its Molson Insider database. Molson uses the database to attract insiders to Molson-sponsored events and to inform customers about new products and promotional offers.³ Refer to Figure 6.3.

The electronic era has resulted in an information explosion that allows for the storage and transfer of a large amount of data in a short time. What has emerged is a new concept called data mining. **Data mining** is a process in which raw data is turned into useful information. Special software looks in large batches of data for patterns that allow an organization to learn more about its customers and ultimately develop more effective marketing strategies to increase sales.

data mining The analysis of information to determine relationships among the data and enable more effective marketing strategies to be identified and implemented.

FIGURE

6.3 Molson's Insider Database Is Used to Keep Members Informed about Product, Events, and Promotions

Source: © Molson Coors Canada.

The goals of data mining are to produce lower marketing costs and to increase efficiency by identifying prospects most likely to buy in large volume. A firm's competitive advantage in the marketplace will increasingly depend upon knowing the situation better than the competition and being able to take rapid action, based on that knowledge. Look no further than your local Walmart to see data mining at work. Walmart is the acknowledged leader in data mining, capable of tracking sales on a minute-by-minute basis. It can also quickly detect regional and local market trends. Such knowledge allows Walmart to customize each store's offerings while keeping suppliers abreast of how well their products are selling.⁴

Data mining offers an organization two essential benefits. First, it provides a means of profiling the "best" customers and the "worst" customers. Clearly, in these times, greater emphasis must be placed on customers who produce sales and high profit margins for an organization. As well, consideration can be given to dropping customers who cost more than they generate in profit. Why keep customers if they are not profitable? Second, data mining techniques give an organization a means to predict future sales. Continuous compiling and analysis of data about current customers' sales histories should result in more accurate forecasts about what the future holds. As well, when a company wants to expand its business by attracting new customers, it can use the internal customer profile information as a guideline and then rent from lists names who have similar profiles.

EXTERNAL SOURCES

People who have a history of responding to mail offers tend to be attractive prospects for new offers. Buying by mail or from offers seen on television is part of their behaviour. Therefore, the challenge is to find prospects who have a demographic profile, and perhaps

list broker A company specializing in finding or developing lists for direct response purposes; finds prospect lists based on target market criteria established by marketing organizations.

merge/purge A process in which numerous mailing lists are combined and then stripped of duplicate names.

response list A list of direct mail buyers who have previously made purchases based on direct response offers.

circulation list A publication's subscription list that targets potential customers based on specified demographic characteristics, interests, or activities.

compiled list A direct mail list prepared from government, census, telephone, warranty, and other publication information, or from surveys conducted by marketing organizations.

a psychographic profile, that is similar to the profile of current customers. A **list broker** can assist in finding these prospects. The buyer provides the broker with a profile of the target customer, and the broker supplies a list of potential prospects. Generally, a high-quality list is developed through a **merge/purge** process on a computer, whereby numerous lists are purchased, combined, and stripped of duplicate names. Names are purchased (actually rented) on a cost-per-thousand basis. List brokers charge a base rate for names and charge more if additional requests are made. Additional requests, called *selects*, are usually demographic variables, interest or lifestyle variables, or geographic variables.

One of the biggest suppliers of external data about households is Canada Post. It offers a service called Precision Targeter that, if employed properly, will deliver messages to an organization's ideal customer. Precision Targeter is a free online tool that helps an advertiser determine the best delivery routes for a direct mail campaign. The software tool combines consumer data (e.g., age, income, presence of children, and so on) with interactive maps. Advertisers can select from 14 demographic categories, maps that visualize areas of interest, and potential routes can be adjusted based on budget considerations. The software will even estimate the cost of the campaign.

There are three types of lists available:

Response Lists A **response list** is a list of proven direct response buyers. It's a "hot" list, so the price is high on a cost-per-thousand basis. Such lists include people who routinely place orders with cooperative direct marketing firms. Examples of response lists include buyers of a product or service, members of organizations, attendees at trade shows or events, and subscribers to trade journals.

Circulation Lists The word "circulation" indicates these lists are obtained from newspaper and magazine sources. **Circulation lists** can target consumers demographically, psychographically, and geographically. A publishing company, such as Rogers Communications, rents its list of subscribers to any other business that is interested in a similar target. A list management company is usually responsible for managing and renting all of the lists made available by the publisher. The Cornerstone Group of Companies handles this service on behalf of Rogers Communications publications.

For instance, *Chatelaine* magazine reaches women aged 25 to 49 who have children and are busy with careers and family. The *Chatelaine* list has a base cost of \$130/M (cost per thousand) that increases as certain characteristics are added. There are also additional costs for requesting specific formats for the list, such as FTP, secure file transfer, and CD-ROM.⁵ An example of a circulation list appears in Figure 6.4.

Compiled Lists **Compiled lists** are assembled from government, census, telephone, warranty, and other publication information or from surveys conducted by marketing organizations such as Epsilon TargetSource Canada. TargetSource's consumer survey captures a wide range of data on purchase behaviours and intentions, lifestyles, life stage, hobbies, interests, product ownership, and demographics. Marketers can target specific segments from a database of over 2 million households.⁶ The base price for a TargetSource list is \$125/M. There are additional charges of \$15/M when the advertiser requests specific age ranges or other demographics.⁷

Names of prospects can be assembled from various print sources, such as *Fraser's Canadian Trade Index* and *Scott's Industrial Index*, for business-to-business marketing. Provincial and national associations such as the Canadian Medical Association provide lists of their physicians, as do other associations: accountants, engineers, purchasing managers, teachers, and so on.



List Management Datacards

CHATELAINE MAGAZINE - ENGLISH

CLASSIFICATION	MAGAZINES
TYPE	CONSUMER WOMEN
LIST SIZE	177,762
MINIMUM ORDER	5,000
BASE COST/THOUSAND	\$130.00 CDN
BROKERAGE COMMISSION	20.00%
NAMES THROUGH	April 13, 2015
PROFILE UPDATED	April 28, 2015

Chatelaine - Canada's favourite women's magazine, delivers what women are looking for most - real value, real ideas, real inspiration, and real solutions.

Chatelaine subscribers index above the Canadian average for: bachelor or post grad degree (index 138); owning mutual funds (index 130); donors to Canadian charities (index 123).

Source: PMB 2010 Base: English adults 18+

Area data information has also been overlaid and a variety of averaged statistical demographic information is available. Examples include:

Affluent Households over \$75,000; High Contributing Donors \$100-\$300+.

This is an ideal list for offers related to Fundraising, Entertainment, Cooking, Crafts, Education, Catalogues, Finance and a variety of additional Consumer Products and Services.

Subscription sources: direct marketing including online and agency.

This list is updated bi-monthly.

Subscription Rate: \$19.98/Year (12) Issues

TERMS:

Any order placed will incur a set up fee of \$25.00.

\$100.00 fee will apply to all cancelled orders. For shipped orders, applicable run charges plus format fees will also be incurred. Full charges will apply for orders cancelled after a Merge Purge and/or the Mail Date.

SELECTS	COSTS
Gender	\$10.00 /M
Key Records	\$5.00 /M
Nth	\$0.00 /M
Province	\$10.00 /M
FSA	\$10.00 /M

OTHER SELECTS	COSTS
3 Month Hotline	\$0.00 /M
6 Month Hotline	\$0.00 /M
Actives (Base \$130/M)	\$0.00 /M
Address Type	\$10.00 /M
Age	\$10.00 /M
Change of Address	\$10.00 /M
Donation Value	\$10.00 /M
Income	\$10.00 /M
New to File	\$10.00 /M
Radius	\$10.00 /M
Source	\$10.00 /M

FORMATS	COSTS
FTP	\$60.00 /F
Secure File Transfer	\$60.00 /F
CD-ROM	\$60.00 /F

SHIPPING	COSTS
Toronto Area	\$0.00 /F
Other Areas	\$0.00 /F
Abroad	\$0.00 /F

PROVINCIAL BREAKDOWN		
ON 51.82%	QC 3.24%	BC 12.55%
AB 12.81%	MB 5.10%	NB 2.59%
NL 0.81%	NS 3.03%	PE 1.01%
SK 6.75%	NT 0.16%	YK 0.13%
NU 0.01%		

List Owner asserts that this list is subject to and compliant with the Personal Information Protection and Electronic Documents Act (PIPEDA).

Status Recorded: October 03, 2000

Today's Date: May 26, 2015

FIGURE

6.4

The Costs Involved in Renting a Direct Response List

Source: © Cornerstone Group of Companies.

online database An information database accessible online to anyone with proper communications facilities.

directory database A commercial database that provides information about a company (for example, size, sales, location, number of employees).

ONLINE DATABASES

Due to advancing technology, there has been a surge in developing online databases. Information from commercial sources can now be transferred to an organization almost instantly. An **online database** is an information database accessible to anyone with proper communications facilities. For example, census data from Statistics Canada are readily available online. Most of Statistics Canada data are based on census data collected every five years. The nature of the information and reporting of the information is very detailed, covering dozens of demographic and socio-economic topics such as family and household structures, income, occupation, education, ethnic background, and marital status. Knowledge about and understanding trend data are essential skills for a marketing organization to plan effective marketing strategies.

From commercial sources such as Dun & Bradstreet (D&B), marketing organizations can access information through directory databases. A **directory database** provides a quick picture of a company and its products (for example, ownership, size in terms of sales revenue, company locations, number of employees, key management personnel, and profitability). Examples of business directories that are available online include the *Canadian Business Directory* and the *Canadian Trade Index*. The *Canadian Business Directory* provides some 830 000 listings of companies in Canada. The *Canadian Trade Index* identifies organizations and their purchase decision-makers by industry. These types of directories help an organization locate and qualify potential customers in Canada.

The Tools of Direct Response Communications

Essentially, five primary media compose the direct response tool kit: direct mail, direct response television, direct response print media, telemarketing, and catalogues. Among these options, direct mail still dominates, but other options are growing in importance. Let's examine each option in more detail.

DIRECT MAIL

The use of direct mail is widespread, thanks to the sender's ability to personalize the message by using names secured from internal databases or rented from external databases. Direct mail provides an opportunity to target customers demographically and geographically. For example, a national quick-serve restaurant chain might use a shotgun approach and deliver a leaflet containing coupon offers in the areas where restaurants are located. An upscale car maker such as BMW might decide to deliver a mail message to very selective upper income households in a concentrated area of a big city—those areas could be identified by the Precision Targeter software (discussed earlier) that is available through Canada Post.

Moreover, direct mail provides an opportunity to “tell a story.” There's a saying in this business: “the more time you have to tell, the more time you have to sell.” Since the average mailing includes several pieces, an expanded story can be told about the product or service. The advertiser is not restricted by time (30-second commercials on TV or radio) or space (one page or less in a newspaper or magazine). Benefits such as these make direct mail an attractive option. Although many perceive direct mail to be “junk” mail, research clearly indicates that consumers react positively to receiving direct mail offers. Refer to Figure 6.5 for details.

A typical direct mailing has several components, each designed to serve a specific purpose:

Envelope The envelope is a critical component of the mailing. Since direct mail is usually unsolicited, the envelope has to suggest strongly why the recipient should read the contents. There should be a sense of urgency about opening the envelope.

FIGURE

6.5 Some Facts and Figures about Direct Mail in Canada**Canadians Opening Mail**

- 91% are likely to open an item from a business they do business with
- 89% will open direct mail if it looks official or important
- 84% will open direct mail if it has their name and address on it

Canadians Reading Mail

- 52% will read direct mail if it informs them about product changes from a company they have a relationship with
- 43% will read direct mail promotions just in case something catches their attention
- 41% will read direct mail if they have seen the same concept/offer elsewhere (e.g., on television)

Communication Preferences

- 79% Mail is preferred over email, telephone or other means of communication for advertising correspondence and solicitations

Source: Based on data from "Canadian Attitudes toward Direct Marketing and Mail," Marketing Research Fact Sheet, Canada Post, www.canadapost.ca.

Letter The letter introduces the prospective customer to the product or service and encourages the receiver to read more about the offer in the other pieces included in the mailing. The letter may be unaddressed (delivered to the householder) or personalized (with the person's name and address). Addressed mail produces a higher response. Typically, the language used in the letter is persuasive, because the goal is to generate interest and desire, and, ultimately, get the receiver to respond to the offer.

Leaflets and Folders These types of direct mailing components can vary in size and structure. By definition, a **leaflet** is one page (though it may not be a full page), printed front and back, and contains vital information about the offer: Here's what the product is and here's why you should buy it. Again the language is persuasive in nature. Visuals frequently support the copy. A **folder** can be larger in size and contain multiple pages. For example, a double page folded once results in a four-page layout. That amount of space gives the marketer ample room to sell. When an offer is put together, an **incentive** is often included to stimulate a more immediate response. An incentive might nudge a recipient interested in buying closer to taking action. The objective is to get that person to take the appropriate action, call a 1-800 number, go online, or fill in the order form. A selection of leaflets and folders is included in Figure 6.6.

Order Form A well-designed order form is essential. It must be easy to read, and it must communicate all details regarding price, additional costs such as shipping and handling charges, and means of payment (usually credit card information). The recipient must be able to place the order effortlessly.

Postage-Paid Return Envelope Eliminating the need for postage is another means of encouraging the recipient to take action. The combination of a clear and concise order form with a postage-paid return envelope makes it a no-hassle process from start to finish.

Statement Stuffers A **statement stuffer** or **bounce back** is an additional offer that rides along with the delivery of another offer or with the delivery of a monthly statement. Capitalizing on the ease of purchasing by credit or on the knowledge that the customer uses

leaflet A one-page flyer that offers relevant information about a direct mail offer.

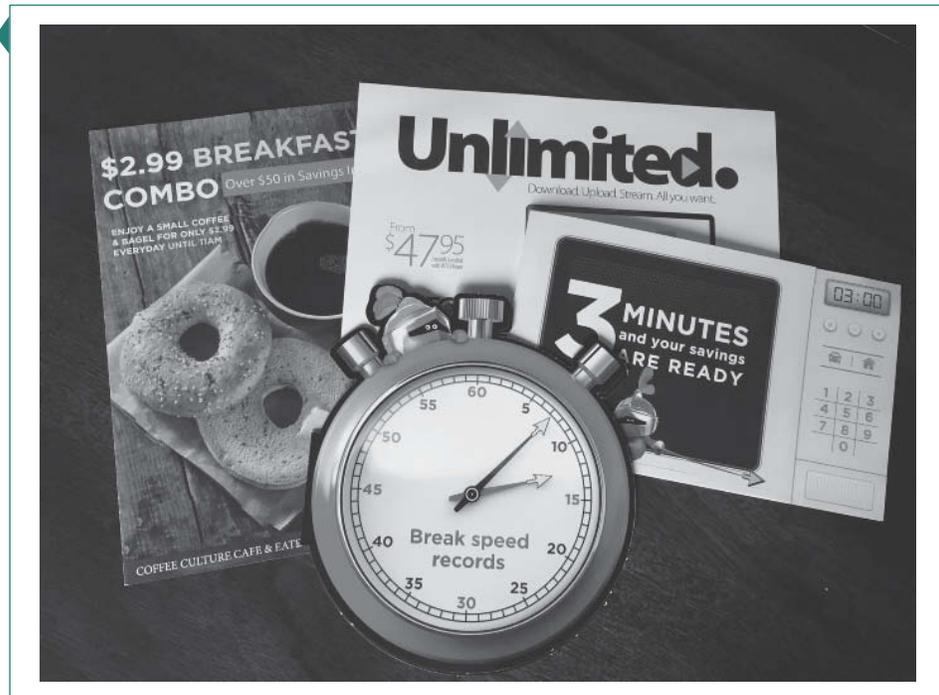
folder A direct response sales message printed on heavy stock that can be mailed with or without an envelope; may be several pages in length.

incentive A free gift or offer included in a direct mail package.

statement stuffer (bounce back) An ad or offer distributed in monthly statements or with the delivery of goods purchased by some form of direct response advertising.

FIGURE
6.6A Selection of Leaflets
and Folders in Various Sizes
and Configurations

Source: © Keith Tuckwell



related products or services, such mailings make it convenient for the customer to take action. Bounce backs commonly arrive with Sears, The Bay, Visa, and MasterCard bills.

DIRECT MAIL STRATEGIES There are two basic options for delivering direct mail. The first is to deliver the mailing as a standalone piece. In this option, the organization bears all of the costs associated with developing the offer and distributing it to the target market. The second option is to deliver the offer as part of a package that includes offers from other companies. In this option, the distribution costs are shared equally among all participants. That is the difference between solo direct mail and cooperative direct mail.

solo direct mail (selective direct mail) A unique advertising offer mailed directly to a target audience by a marketing organization.

Solo Direct Mail With **solo direct mail**, also known as **selective direct mail**, the organization prepares a unique offer and mails it directly to the target market. It is a standalone offer. As discussed earlier, today's technology makes it very convenient for organizations to assess buying information, devise unique offers for existing customers, and deliver offers directly to those customers. Such a plan of action sounds much more efficient than delivering a message blindly to all consumers on prime-time television, or through daily newspapers or national magazines. Furthermore, solo direct mail can play a key role in an organization's CRM program. It is an effective means of keeping the channel of communication open.

Personalization is an important element of solo direct mail. Including a name and address (addressed direct mail) increases the likelihood of the mailing being read. According to Canada Post, 84 percent of Canadians open direct mail if their name is on it and 49 percent will read it just in case something catches their eye. Refer back to Figure 6.5 for more details. Addressed mail also achieves higher response rates than does unaddressed mail.

dimensional mail Direct mail that can take any form other than the typical flat piece of mail.

Another type of direct mail that attracts more attention and gets higher response is dimensional mail. **Dimensional mail** is a type of direct mail that can take any form other than the typical flat piece of mail. It could be something as simple as a pen or other object in an envelope or a unique box or package that contains the mail offer. Dimensional mail is meant to stand out—it is unique and often generates buzz for the product. Figure 6.7 demonstrates elements of solo direct mail and dimensional direct mail in one mailing piece.

FIGURE

6.7 A Direct Mail Piece That Combines the Elements of Solo Direct Mail and Dimensional Mail

Source: © Dick Hemingway

For additional insight into the impact direct mail campaigns have on sales read the IMC Highlight: **The Power of Direct Mail**.

Cooperative Direct Mail **Cooperative direct mail** refers to packages containing offers from non-competing products and services. Consumer goods companies commonly use this method; they are attracted to it because the costs are shared among all participants. A typical mailing might include coupons for packaged goods items, magazine subscription forms, order forms for direct mail offers, and so on. For packaged goods marketers in the food and drug industries, cooperative direct mail has proven to be an effective means of generating trial purchase. Response rates for coupon offers delivered by direct mail tend to be higher than coupon offers delivered by magazines or newspapers. The illustration in Figure 6.8 is representative of a typical cooperative direct mailing.

In deciding how and when to use direct mail, a manager evaluates the benefits and drawbacks of the medium. Refer to Figure 6.9 for details.

DIRECT RESPONSE TELEVISION

Direct response television (DRTV) is gaining in popularity with advertisers. There are two types of direct response television advertising (DRTV). **Short-form DRTV** is 30- or 60-second commercials that typically run on cable channels. **Long-form DRTV** is a program-like commercial, commonly referred to as an **infomercial** that can last

cooperative direct mail A mailing containing specific offers from non-competing products.

Short-form DRTV 30- or 60-second commercials that run on cable channels.

long-form DRTV/infomercial A long commercial (for example, 10 to 30 minutes) that presents in detail the benefits of a product or service; usually includes a call to action such as a 1-800 number.

The Power of Direct Mail

The best way to demonstrate the usefulness of direct mail advertising is to examine some real situations in which advertisers achieved success from it. The restaurant industry in Canada is very competitive, especially when you consider the number of quick-serve and fast casual dining options that are out there. On what basis do you decide which one to go to? Perhaps an incentive delivered by mail will tip the scales in favour of a particular restaurant.

Perhaps you have received some restaurant offers in the mail and taken advantage of them. They are quickly becoming a preferred tactic in the restaurant marketing. Unaddressed mail from McDonald's that offers a "Two for the price of one" entrée meal is hard to resist. Other chains will tempt you with similar offers!

Restaurants benefit from these and other kinds of offers. Direct mail can help achieve a variety of marketing objectives. It can generate brand and product awareness, build traffic, encourage purchases of particular menu items, and launch seasonal campaigns or other special promotions. The true benefit of a direct mail offer is immediacy—consumers will take advantage of a coupon offer for a meal soon after receiving it. Deadlines on the offer force consumers to take action . . . now!

Pizza Pizza is a strong believer in direct mail. It ran a mail campaign with the objective of increasing awareness of non-pizza items. Using Canada Post's Unaddressed Admail service Pizza Pizza distributed 4.1 million flyers promoting chicken wings to Canadian

households. It was one of their most successful campaigns ever with 1.5 million Canadians taking advantage of the offer—an astonishing response rate of 37 percent. Pat Finelli, Chief Marketing Officer, says, "Direct mail continues to be our strongest performer in generating sales for our business."

Casey's, a casual dining restaurant, wanted to attract new customers. To do so, Casey's used a variety of media, but direct mail produced the best results. A mail campaign in neighbourhoods where their restaurants are located delivered a promotional offer and included its entire summer beverage menu. On average, each restaurant enjoyed an 8 percent lift in sales as a result of the offer. Jon McQuaid, brand marketing manager, says, "Direct mail is our most effective marketing tool to drive restaurant traffic."

Despite the fact we live in a digital media era, it seems people still love to receive old-fashioned mail. Statistics don't lie! People do read direct mail and they do take advantage of offers that catch their attention.



© Fred Lum/The Globe and Mail

Source: Advertisements placed by Canada Post in *Canadian Business*, Direct Mail Delivered for Pizza Pizza and Direct Mail Put Casey's in the Hands of an Entire Neighbourhood.

30 or 60 minutes. It presents in detail, the benefits of a product or service, can include celebrities, and is well scripted.

The nature of direct response television advertising has changed over time. Once it was regarded as the "domain of schlock"; mainstream marketing organizations would not go near it. It was perceived as a last-resort tactic when all else failed. DRTV is now looked at in a more positive light due to the acceptance of infomercials and their improved quality.

Infomercials today are presented in a more entertaining manner. There is less "hard sell." The transfer of information is less intrusive. Consumers can simply evaluate the message and take action if they so desire. Unlike general TV advertising, direct response TV ads, including infomercials, ask the consumer to take action immediately—to

FIGURE

6.8 Contents of a Cooperative Direct Mailing Distributed by Open & Save

Source: © Dick Hemingway.

Advantages

- **Audience Selectivity**—Targets can be precisely identified and reached based on demographic, psychographic, and geographic characteristics. It is possible to secure external lists that closely match internal lists.
- **Creative Flexibility**—Unlike other media, the message can be copy oriented, visually oriented, or a combination of both. Because a mailing includes several components, there is ample time to expand on the benefits of the product.
- **Exclusivity**—Mail does not compete with other media or other ads upon receipt. In contrast, magazines and newspapers include clusters of ads and create a cluttered environment to advertise in.
- **Measurability**—Direct mail response is measured by the sales it generates. A sale can be directly linked to the mail offer (for example, receipt of a phone call or order form in the mail). The success of a campaign is determined in a relatively short period.

Disadvantages

- **Image**—Direct mail is not a prestigious medium. Often perceived as junk mail, it can be easily discarded by the recipient.
- **Cost per Exposure**—When all costs are included (for example, printing, securing list, mail delivery, and fulfillment), total cost can be higher than an ad placed in another print medium, although selective targeting reduces waste circulation.
- **Lack of Editorial Support**—As a standalone medium, compared to newspapers or magazines, it can't rely on editorial content to get people to read the message.

FIGURE

6.9**Direct Mail As an Advertising Medium**

make the call, grab the credit card, and make the purchase. The effectiveness of the ad can be measured on the spot for its impact. Did it work or not? These ads are measured quantitatively based on response. Typical measures include cost per order, cost per lead, cost per call, or some other criterion.

Well-produced and highly informative infomercials are now produced by serious mainstream marketing organizations. By industry, pharmaceutical marketers, automotive marketers, packaged goods marketers, and financial institution marketers are all on board. Companies within these industries that use DRTV include Pfizer and GlaxoSmithKline, General Motors and Ford, Procter & Gamble and Unilever, and RBC Financial and TD Canada Trust.

These organizations evaluated the returns from their respective investments in mainstream advertising and decided that direct response communications would play a more vital role. Some companies' message could not be adequately conveyed in the usual 30-second television spot. Manulife Financial recently produced three 120-second commercials. According to Ian French, president and executive creative director at Northern Lights Direct Response, "We wanted to more clearly articulate the types of life circumstances that people would be in that lend themselves to insurance." For example, one commercial depicts a family facing child health care costs that are not covered by government insurance.⁸

Direct response commercials do not always have to sell something. In fact, a good infomercial can serve many marketing communications objectives: It can establish leads, drive retail traffic, launch new products, create awareness, and protect and enhance brand image. Procter & Gamble, for example, is not selling direct to consumers, but uses infomercials to promote products sold by retailers. Essentially, advertisers are pursuing a dual benefit—they are combining a brand message with a DRTV technique of encouraging action, either immediately or when the viewer visits a store.

Getting into direct response television, however, is not cheap. Experts say it costs as much as \$250 000 to produce a 30-minute infomercial, and if celebrities are included, the costs can go much higher. By comparison the cost of a 30-second national television commercial can exceed \$300 000—so the comparison is 30 minutes of airtime, perhaps at a late hour, versus 30 seconds of airtime in prime time. To keep media placement costs reasonable, shorter commercials (up to 60 seconds long) usually employ a station's run-of-schedule option where the ad is placed at the discretion of the station. Advertisers also use **remnant time**, which is unsold television inventory available on short notice at a lower cost.

remnant time Unsold television inventory available at lower cost to an advertiser.

For more insight into the effectiveness of direct response television, read the IMC Highlight: **Infomercials Move the Merchandise**.

DIRECT RESPONSE PRINT MEDIA

The print media—mainly newspapers and magazines—are good choices for communicating direct response offers or for fielding leads for future marketing programs. Given the local nature of daily newspapers, an organization can target prospects geographically. If the size of the budget restricts activity, markets can be assigned priorities until the budget is exhausted. Local market retailers that want to take advantage of direct response techniques have a good option in newspapers.

A majority of magazines are targeted at specific audiences based on demographic and psychographic characteristics, so the direct response message can be sent to specific audiences based on criteria established by the advertiser. For example, a company marketing floating docks or cottage designs might want to reach cottage owners. A direct response ad placed in *Cottage Life* magazine will reach that target market. The basic point is that it is possible to identify magazines that closely match the profile of a company's best customers. Resort destinations such as Whistler Blackcomb and Mont Tremblant adopt similar strategies, as do

IMC HIGHLIGHT

Infomercials Move the Merchandise

There are those who believe television is dead. They claim it's an old medium—it's out of touch with on-demand consumers who want to watch programs when they want to watch, not when the station wants them to watch. Not so fast, say many direct response industry experts! What about those direct response commercials? Tacky to some, impactful to others, these commercials can certainly move the merchandise.

Stop and think about these infomercials that have grabbed your attention late at night or on weekend mornings: the FlavorWave Oven, the Ab Rocket Twister, or Bowflex Max Trainer. The Bowflex Max Trainer boasts "The ultimate 14-minute workout!" Don't snicker. These ads work! A study conducted by the Electronic Retailing Association reveals that 63 percent of the population watches some form of DRTV advertising. The viewers are female and male, more affluent than the rest of the population, and are younger rather than older—a desirable target to pursue.

The television universe is becoming fragmented. There are too many stations—too much choice for viewers. Regular television spots can get lost amidst the clutter. With direct response it is possible to target consumers more accurately and at lower cost. Further, with conventional television or radio commercials, or a print ad, it is difficult to link the ad to sales since so many other variables come into play. After an infomercial, the phones start to ring right away, so the impact of the ad and the resulting sales are known almost immediately. For clients concerned about financial accountability, direct response television is an ideal fit.

So what makes a consumer pick up the phone to place an order? Experts in the industry say the message must be clear and concise, it must resolve a problem a consumer is experiencing, it must provide instant gratification, and it must be offered at a price point where

the value is recognizable. Above all, the benefits of the product must be easy to demonstrate!

You may be too young to recall the George Foreman Grill but the DRTV campaign for the product met all of these criteria. George Foreman was a heavyweight boxing champion in the 1970s. Foreman estimates he made \$200 million from the sale of grills bearing his name, which he neither invented nor initially wanted anything to do with. The success of the direct response campaign paved the way for retail distribution of the grill. The grill was produced and marketed by Salton Inc., an appliance maker that didn't expect the grill to be much of a hit. For Foreman and Salton it was like money falling from heaven, which was proof that good direct-response advertising serves a real business purpose. Those grills are still available for sale.

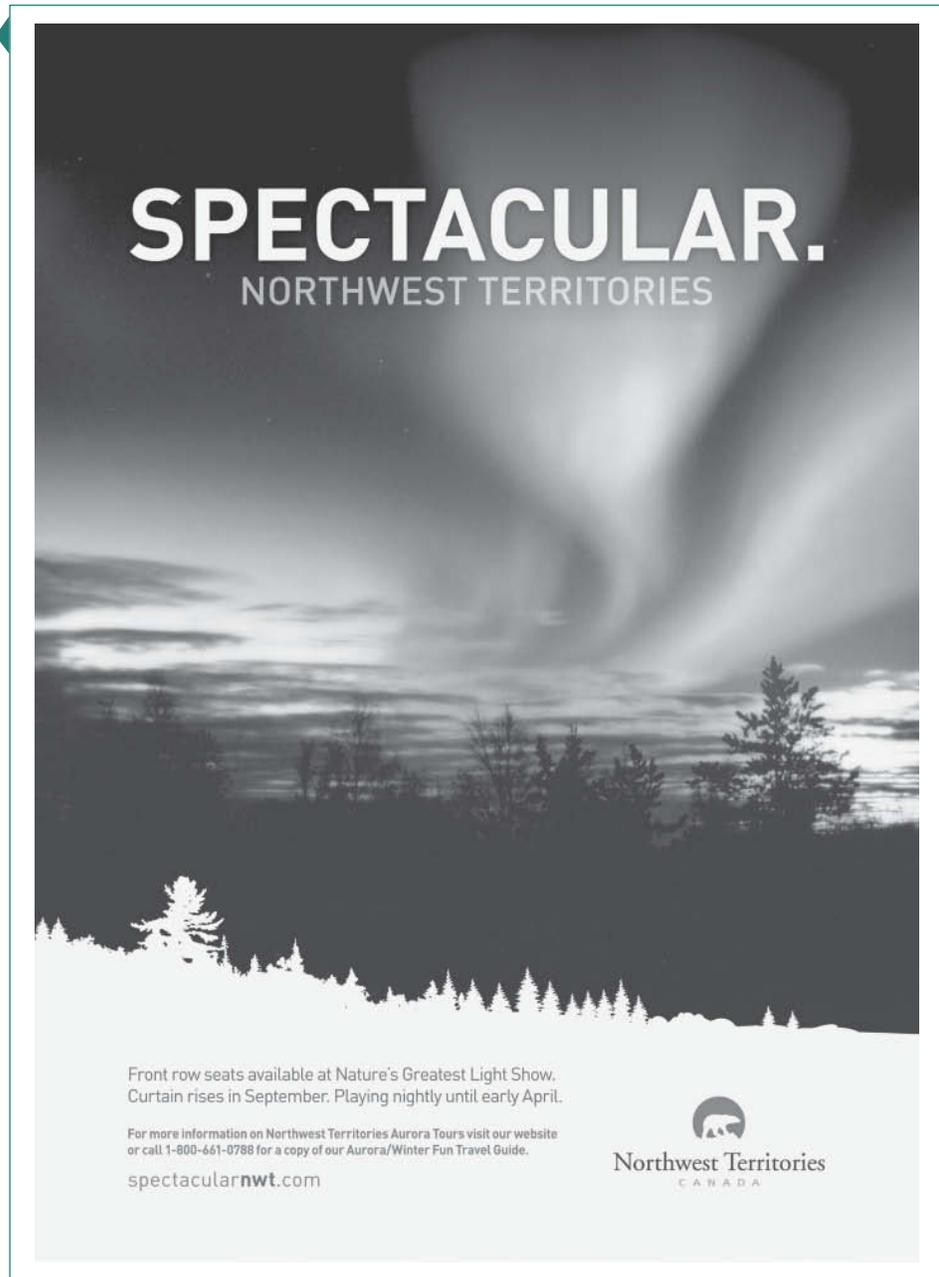


© Roy Letkey/Associated Press

Based on Simon Houpt, "Call Now to Take Advantage of This Special TV Advertising Offer," *The Globe and Mail*, December 16, 2011, p. B5; and Jon Nathanson, "The Lucrative Secret behind Infomercials," *The Week*, www.theweek.com.

FIGURE
6.10**An Illustration of Direct
Response Print Advertising**

Source: Courtesy of NWT Tourism.



provincial governments wanting to promote tourism. The print media are ideal for showing colourful pictures of local tourist attractions. See the ad in Figure 6.10 for an illustration.

Another option to consider is the insert, which was mentioned in Chapter 5 in the discussion of newspapers. An **insert** can be a single-page or multiple-page document that is inserted into the publication (see Figure 6.11). In some cases, the insert is actually glued onto a page (rubber-like glue that is easily removed when the insert is removed from the page). This type of insert is referred to as a **tip-in**.

Advertisers pay the publication insertion fees on a cost-per-thousand basis. A single-page insert in the *Toronto Star*, for example, costs \$45.50/M, and a 16-page insert costs \$61.50/M. Costs increase with the page count.⁹ Preprinted inserts can be used for other communications purposes—they are good handouts at trade shows and other promotional

insert A preprinted, free-standing advertisement (for example, a leaflet, brochure, or flyer) specifically placed in a newspaper or magazine.

tip-in An insert that is glued to a page in the publication using a removable adhesive.

FIGURE

6.11 Inserts Are Flexible and Can Be Used in Print Media, Direct Mail, and at Point of Purchase

Source: © Jesse Johnston/CP Images.

events, and can be used to draw attention to products at the point of purchase. They can also be mailed directly to customers in the company's database.

TELEMARKETING

Telemarketers seem to call at the worst times, like suppertime, or just as you are sitting down to watch a favourite program. Can't telemarketers call at a more suitable time? Does that sound like a common complaint? To a telemarketer, it's simply a fact of life. The best time to call is when the prospect is at home, and that's suppertime or shortly thereafter. Despite the negative feelings consumers have about telemarketing's practices, it is growing in popularity with marketers as a means of communicating with customers. Telemarketing communications are often directly linked to direct response television and direct mail campaigns. Working together, they are a potent combination for achieving all kinds of marketing objectives.

Most telemarketing activities are conducted by call centres. A **call centre** is a central operation from which a company conducts its inbound and outbound telemarketing programs. In Canada, the latest data available from Statistics Canada reveals that the call centre industry generates \$2.76 billion in revenues annually and that the industry is growing each year.¹⁰ Telemarketing practices are having a positive impact on Canadian marketing strategies.

There are two forms of telemarketing: inbound and outbound. **Inbound telemarketing** refers to the calls received by an order desk, customer inquiries, and calls generated from toll-free telephone numbers promoted on direct response television commercials. **Outbound telemarketing** refers to calls made by a company to customers to develop new accounts, generate sales leads, and even close a sale.

call centre A central operation from which a company conducts its inbound and outbound telemarketing programs.

inbound telemarketing The calls received by a company from consumers, whether to place an order, inquire about products or services, or in response to a toll-free telephone number promoted on a direct response television commercial.

outbound telemarketing Calls made by a company to customers to develop new accounts, generate sales leads, and even close a sale.

The call centre is a vital link in the database management system because the telephone is a quick and convenient tool for capturing information about customers. Any information that is obtained can be added instantly to the database. Cost-effective software is available to manage this task.

In direct response communications, much emphasis is placed on message and media decisions. For example, how will the offer be communicated to entice the target market, and what media will it be placed in? Managing the inbound sales calls generated by commercials has traditionally been a weak link. Therefore, an organization must effectively plan its activities to meet call volume, capture data, present selling opportunities, and handle closing calls. The better a company can do these things, the better the economics of the direct response campaign. To illustrate, consider that a national TV spot on a cable network for a direct response lead generation campaign can easily generate 500 or more inbound inquiries, 85 percent of which will occur within the first three minutes of airing.¹¹ The call centre has to be ready. If it has to drop the call, or if the consumer hears a busy signal and hangs up, the marketer's return on investment is undermined. The ability to manage an inbound call requires precision planning to maximize returns.

The primary advantage of telemarketing is cost. Compared to traditional forms of mass advertising and the cost of having a salesperson make a business call, telemarketing offers considerable savings. In comparison to direct mail, the response rate for telemarketing is about 100 times higher. Even though direct mail may appear to be cheaper than telephone solicitation, it is actually more costly in the long run. To be effective, however, the telemarketing call must be carefully planned. Telemarketing representatives must be properly trained and prepared, just as field sales representatives are. Figure 6.12 summarizes the activities that can involve telemarketing.

FIGURE

6.12 Telemarketing Performs Many Marketing Roles**Fundraising**

- Inbound (donations)
- Outbound (solicitations)

Sales Support

- Generating leads
- Qualifying prospects
- Securing appointments
- Marketing research

Personal Selling

- Opening new accounts
- Selling existing accounts
- Selling marginal accounts

Fulfillment

- Accepting orders
- Maintaining customer records
- Invoicing and payment processing

Customer Service

- Handling inquiries and complaints
- Help lines

Earlier in this section, the negative image of telemarketing was mentioned. Image is perhaps telemarketing's biggest drawback. People who react negatively to the calls simply hang up. In Canada, a National Do Not Call List (DNCL) was established in 2008 to protect consumers from unwanted telephone calls. By calling the registry number or by registering online, consumers can have their telephone number included on the DNCL. The registry requires that telemarketers check the registry at regular intervals. The Canadian Marketing Association (CMA) supports the registry, stating that “without reasonable laws regulating organizations that use the telephone to market goods and services, the industry risks losing this valuable marketing channel.”¹² Organizations that call individuals or households on the list are subject to fines of “up to \$15 000 per call”—ouch!

CATALOGUES AND MAGAZINES

Catalogues are reference publications, often annual, distributed by large retail chains and other direct marketing organizations. Catalogue marketing involves the merchandising of products through catalogue sales. When someone thinks of catalogues, the Sears catalogue comes to mind immediately, and for good reason. The Sears catalogue is the largest in Canada and is distributed to more than 3 million households. Sears publishes two semi-annual catalogues (Fall & Winter and Spring & Summer) as well as numerous seasonal catalogues, such as the *Christmas Wish Book*, and sale catalogues. Sears has outsourced call centre operations for catalogue ordering to IBM which handles English-language operations in the Philippines; French-language services are handled in Europe.

Sears is a fully integrated marketing communications organization that generates \$3.5 billion in revenues annually. Much of its business is generated from catalogue sales. Sears also operates one of the busiest commercial websites in Canada. Refer to Figure 6.13.

FIGURE 6.13 Sears Effectively Integrates Retail, Catalogue Marketing, and Web Marketing



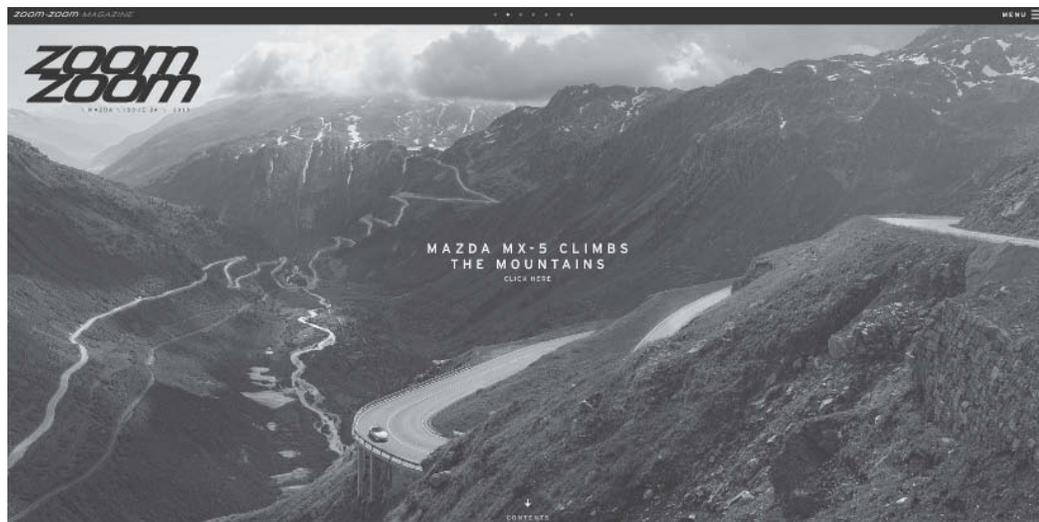
Source: Used with permission of Sears Canada Inc.; (far right) © Steve White/CP Images.

Other prominent catalogue retailers in Canada include Canadian Tire, Home Hardware, Mountain Equipment Co-op, and IKEA. These retailers have merged their retail operations with online buying. The catalogues they distribute drive traffic to their respective websites or to their retail stores. Selling via catalogues meets time-pressed consumer demand for more shopping convenience. As well, today's consumers are accustomed to multichannel shopping, and catalogues are one of the channels they pursue.

Rather than distribute catalogues, some companies have taken the concept a step further and publish their own magazines for distribution to current and prospective customers. The purpose is to stay in touch with customers after the sale and build a firmer relationship. Harry Rosen, a prominent, upscale menswear store, distributes *Harry* magazine in hard copy and online. The magazine keeps customers informed about fashion, health and lifestyle trends, and stories of interest to them. It is part of Harry Rosen's customer relationship program.

Mazda Canada also produces a magazine titled *Zoom Zoom*. It is distributed digitally to anyone interested in learning about Mazda products. Available in desktop, tablet, and mobile versions, the magazine keeps current and potential customers informed about new designs and technical innovations, offers stunning photographs and video content, and articles concerning adventure and lifestyles associated with automobiles and travel. Refer to the illustration in Figure 6.14.

FIGURE 6.14 Mazda Fosters a Relationship with Current and Prospective Customers through *Zoom Zoom* Magazine



Source: © Mazda



SUMMARY

Direct response advertising is the fifth-largest advertising medium in Canada. Companies seeking tangible returns for the money they invest in communications see value in direct response communications. Direct response is a natural exten-

sion of database management programs and is an ideal medium for enhancing customer relationships. The key components of direct response communications are direct mail, direct response television (DRTV), telemarketing, and catalogue marketing.

The foundation of direct response communications is the organization's database. An organization collects and analyzes data from internal and external sources. Customer or house lists record data about purchase transactions made by customers. This information is combined with demographic and psychographic information to form profiles of an organization's best customers. These customers are then targeted and reached through direct response communications. The analysis and manipulation of data constitute a process called data mining. The goal of data mining is to reveal useful information to create more effective marketing strategies.

The success of a direct response campaign depends on the quality of the list used by the advertiser. Lists are available from list brokers and other secondary sources such as directories and trade indexes. Lists provided by brokers are rented on a cost-per-thousand basis. Advertisers can choose between response lists, circulation lists, and compiled lists.

Direct mail is the most common form of direct response advertising. A direct mailing usually includes an envelope, letter, leaflet or folder, order form, and postage-paid return envelope. Each component performs a specific role in trying to get the recipient to take action. Advertisers choose between solo direct mail and cooperative direct mail. Solo distribution is more expensive but produces a higher response rate than cooperative distribution. An organization also has the option to use dimensional mail, which is mail of a different size and shape than traditional flat pieces. Dimensional mail draws attention to something inside the mailing piece and tends to break through the clutter of other mailings.

In recent years, direct response television has captured the attention of blue-chip marketing organizations. An advertiser can choose between short-form (30 and 60 seconds long) and long-form commercials (30 minutes long). Direct response commercials can establish leads, build image, launch new products, and complete transactions with customers.

Direct response ads in the print media are another option. Advertisers frequently use the print media to encourage prospective customers to call 1-800 numbers or to visit websites to get more information. Print is also a good medium for distributing inserts. By selecting the right newspaper or magazine, the advertiser can target its primary customer.

There are two types of telemarketing. Inbound telemarketing refers to calls made by customers to an order desk. Outbound telemarketing refers to calls made by a company to prospective customers to generate leads and even close a sale. Companies are attracted to telemarketing because of its low costs. It is less expensive than face-to-face personal selling and mass advertising. Its major drawback is the negative perception people hold about this form of communication. Recent government legislation and the establishment of a National Do Not Call List now play a key role in determining whom a direct marketer may call.

Catalogues are a direct response medium often used by retail organizations. Catalogues include visual images, descriptions, and prices of the products offered for sale. Time-pressed consumers appreciate the convenience of catalogue shopping, and catalogues help direct consumers toward offline purchases (at retail) and online purchases (at a website).

KEY TERMS

bounce back	173	direct response television (DRTV)	166	online database	171
call centre	181	directory database	171	outbound telemarketing	181
catalogue	167	folder	173	remnant time	178
circulation list	170	house list	167	response list	170
compiled list	170	inbound telemarketing	181	selective direct mail	174
cooperative direct mail	175	incentive	173	short-form DRTV	175
data mining	168	infomercial	176	solo direct mail	174
dimensional mail	174	insert	180	statement stuffer	173
direct mail	166	leaflet	173	telemarketing	166
direct marketing	165	list broker	170	tip-in	180
direct response advertising	165	long-form DRTV	176		
direct response print	166	merge/purge	170		

REVIEW QUESTIONS

1. What is the difference between direct marketing and direct response advertising?
2. What are the major forms of direct response advertising?
3. Explain the concept of data mining. What impact does data mining have on marketing and marketing communications?
4. What is the role of the list broker in direct response advertising?
5. In the context of mailing lists, what does merge/purge refer to?
6. What are the differences among a response list, a circulation list, and a compiled list?
7. Briefly explain two advantages and two disadvantages of direct mail advertising.
8. Identify and briefly explain the components of a typical direct mail piece.
9. What is a statement stuffer?
10. What is the difference between a solo direct response campaign and a cooperative direct response campaign?
11. Identify and briefly explain how dimensional mail is different from other forms of direct mail.
12. Identify and briefly explain the various direct response television alternatives.
13. What is the difference between an insert and a tip-in?
14. What is the difference between inbound telemarketing and outbound telemarketing?

DISCUSSION AND APPLICATION QUESTIONS

1. Will direct response communications play a more significant role in the marketing communications mix in the future? Through secondary research, identify those factors that will encourage or discourage the use of direct response communications and formulate your position on the issue.
2. Direct mail advertising is a popular medium for not-for-profit organizations. Why? What are the benefits and drawbacks of using direct mail? Identify some organizations that successfully use direct mail advertising to help achieve their marketing goals.
3. Collect two or three direct mail pieces that have been delivered to your household address. Did the mailing reach the appropriate target market? What components did the mailing include, and how effective were they in communicating the message? Is the message convincing enough to act upon?
4. Assume you are about to develop a direct response advertising campaign that will encourage a select target audience to visit an Audi dealer to test drive a new Audi TT. The target is defined as male and female managers and executives who earn \$100 000 or more and live in large metropolitan markets. The priority markets are Toronto, Montreal, and Vancouver. What direct response media would you use in the campaign? Assuming direct mail will be a component of the campaign, how would you find names for the mailing?
5. Conduct some research to find a company that has successfully used any form of direct response advertising as part of an integrated marketing communications campaign (such as a major bank, financial services company, or not-for-profit fundraising campaign). What role did direct response communications play? Describe the successes that resulted from the direct response effort.

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