



Direct and Digital Marketing Guide for Developing and Least Developed Countries



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Direct and Digital Marketing Guide for Developing and Least Developed Countries

First Edition, September 2015



Published by the Universal Postal Union (UPU)
Berne, Switzerland

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ISBN 978-92-95025-70-7
Direct and Digital Marketing Guide
for Developing and Least Developed Countries

Published September 2015

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Printed in Switzerland by the printing services of the UPU International Bureau.
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FOREWORD



By Bishar Abdirahman Hussein,
Director General of the UPU

The postal sector is embracing innovation

The advent of new technologies has allowed companies to communicate directly with their customers through a multitude of media, well beyond the traditional mail channel. The postal network too is evolving with its market, and adapting its strategies to offer innovative solutions and help businesses of all sizes and in all industries to prosper in the new environment.

Direct marketing plays a vital role in providing the spark that ignites the chain reaction of e commerce. Innovative direct marketing campaigns are stimulating customers to buy goods online, resulting in substantial increases in the number of postal packets and parcels.

Direct marketing solutions also enable companies to build relationships with their customers. While many industrialized countries are at the forefront of the technological revolution, providing sophisticated data services and digital media, there is plenty of space for Posts in developing countries to offer effective tools to their customers. Thanks to the efforts of the Direct Marketing Advisory Board, this Guide will provide these countries with the necessary guidance and advice to help them stimulate the development and growth of direct marketing in their own markets. As Posts transform themselves through innovation, they are better able to fulfil the needs of different sectors of the economy, serving as an essential infrastructure for development, integration and inclusion.

FOREWORD



By Sami Alowed,
Chairman of the Direct Marketing Advisory Board

Posts are direct marketing channels

Letter-post volumes have been declining as a result of electronic substitution and the global economic crisis. The media landscape has become more diversified, with strong growth in digital, mobile and social media. Businesses are increasingly integrating their marketing and communications campaigns, with direct mail representing only part of a multi-channel environment and often driving the use of other channels.

In such a framework, there are important opportunities for postal operators, both in industrialized and developing countries. Posts can expand along the customer's direct mail value chain, offering solutions that add value to their core delivery services. Posts can also diversify, providing solutions other than the

physical channel. In fact, as electronic postal services evolve worldwide, Posts must position themselves as direct marketing channels, working together with the industry and transforming themselves to meet market needs and remain economically sustainable.

To do so, Posts must understand the new media landscape and get to know the available technology and techniques used by organizations to build lasting relationships with their customers. This new Direct and Digital Marketing Guide for Developing and Least Developed Countries aims to help Posts acquire such knowledge and understanding, so that they can develop their own strategies and benefit from the new opportunities in the market. By publishing this Guide, the UPU Direct Marketing Advisory Board is contributing to these developments.

PREFACE

This Guide is intended mainly for Posts of developing and least developed countries to help them promote the growth of direct and digital marketing in their local markets. It is the successor to the *Direct Mail Guide for Developing and Least Developed Countries* (UPU, 2009), providing updated content on the never-more-relevant scenario for direct mail, while adding key concepts and examples explaining the increasing presence of Posts as major suppliers of other direct and digital marketing products and services.

It is our hope that this Guide will become the blueprint for the progressive development of direct and digital marketing in accordance with the local conditions and resources of each Post. With regard to the Post's current flagship marketing product – direct mail – the Guide covers only domestic direct mail, as the field of international direct mail is a rather advanced subject for many developing and least developed countries, and it seems best to start at home. The Guide not only addresses issues of postal infrastructure, but also includes resources for training postal officials in direct and digital marketing and helping them to educate their potential customers on how to reap the benefits of these activities in their businesses.

This Guide was written by a direct and digital marketer who is very familiar with postal operations. All the postal, marketing and digital terms used in the Guide are correct in their respective professional vocabularies. An extensive glossary has been included at the end of the Guide to help marketing people new to the postal world, postal people new to the marketing world, and anyone new to the digital world acquire the appropriate terminology. The reader is encouraged to consult the glossary for clarification whenever an unfamiliar word or expression appears in the text.

Examples and data from developing and least developed countries have been included as much as possible. However, some of the examples, facts and figures relate to industrialized countries because that is where most of the available data comes from and because, to a certain extent, they are leading the way in Posts' advances into direct and digital marketing. Posts in developing and least developed countries should use such examples to learn and benchmark. They should also take the lead and conduct similar studies and research, adapted to their own realities and resources, in order to discover and document the use of direct and digital marketing in their countries.

ACKNOWLEDGMENTS

The author would like to share the credit for this Guide with a group of colleagues from developing countries who generously gave of their time and knowledge to help this book become a reality.

Special thanks go to the people from Posts who provided very useful information, examples and best practices: Sello Kekana of the South African Post Office; José Luis Alonso, María de los Ángeles Casal and María Celia Bello de Saffores of Correo Argentino, the Argentinean Post; Antonio Braquehais, Barbara Eliza Rocha and Fauzi Tauaf Toute of Correios, the Brazilian Post; and Sami Alowedi and his colleagues at the Saudi Post.

A special mention goes to the Latin American contributors outside the postal sector who gave generously of their time, experience and know-how: Ezequiel Bardas and María Belén Moreno of Xerox Corporation, Juan Martínez of Digital Attack, Daniel Soldán of emBlue, Damián Sztarkman, Lorena Amarante, Hernán Nadal, and Alejandro Parra Cortijo.

Finally, much help and guidance was provided by the Direct Marketing Advisory Board (DMAB) Steering Committee, led by Sami Alowedi of the Saudi Post, with the participation of members Mark Harrison from International Post Corporation (IPC), Charles Prescott of the Global Address Data Association, Geraldine Proust of the Federation of European Direct and Interactive Marketing (FEDMA), and Klaus Schulz of the European Federation of Envelope Manufacturers. Gina Scala and Michelle Tiletnick of the Direct Marketing Association (DMA) in the United States, Efraim Kapulsky of ABEMD in Brazil, and Jodie Sangster and Martine L'Eveille of the Association for Data-Driven Marketing and Advertising (ADMA) in Australia contributed material and – above all – their valuable knowledge.

Many, many thanks to them all !

**Direct and Digital Marketing Guide
for Developing and Least Developed Countries**

I. INTRODUCTION



Why focus on direct and digital marketing in Posts ?

Posts are in a special position when it comes to direct marketing communications that go straight from the marketer to the customer, because they are, by definition, the only medium that obligatorily reaches all the inhabitants of a country, owing to their mandate to serve the entire population. No television channel, newspaper, radio station or website can boast of effectively reaching everybody in the country. The Post does.

The Post's reach is a significant advantage in today's marketing communications world. Traditional advertising, such as television and radio commercials, newspaper and magazine ads and outdoor billboards, are not individualized. Direct and digital marketing communications, which encompass traditional media such as direct mail and telephone marketing, as well as new media such as e-mail and online display and search ads accessed by desktop and mobile device, are individualized messages. Although traditional advertising continues and will continue to be relevant, the digital forms of these activities

are fast gaining share in companies' marketing budgets. However, data from Winterberry Group¹ regarding ad spending in the United States, graphed in Figure 1, shows that traditional direct marketing has remained at close to one-third of the total marketing communications spend from 2008 through 2014. Meanwhile, the share of traditional advertising media has declined as investment in digital marketing communications has risen and is expected to continue to grow.

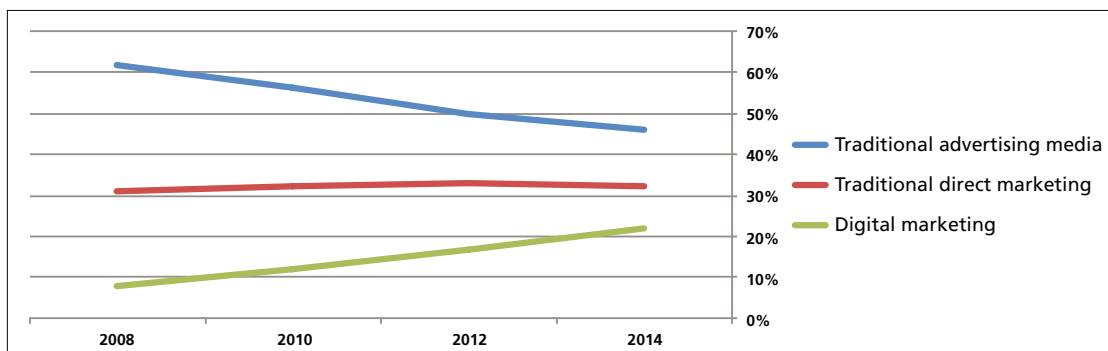
In terms of opportunities to be included in the product and service offerings of Posts, this Guide will deal with direct and digital marketing, activities that represent more than half of the marketing communications spend in developed countries like the United States, according to Figure 1.

Direct and digital marketing are birds of a feather, as much as this statement might surprise some of the younger "techies". There is great similarity between direct and digital in their conception, planning and execution, since the principles of digital marketing, when properly practised, respond to the rules of direct marketing² (these points will be explained in further detail in this Guide):

Figure 1

Over the last seven years, investment in traditional advertising (TV, radio, newspapers and magazines, cinema and outdoor) has declined in the United States, from 62% of total marketing communications spend in 2008 to 46% in 2014. Digital marketing (search, display, e-mail and other) has gained share, from 8% to 22%. Meanwhile, traditional direct marketing (direct mail and teleservices) has remained steady at about one-third of all marketing communications spending.

Percentage of total marketing communications spending by media sector, United States, 2008–2014



Source: The Winterberry Group Annual Outlook Presentations

- Personalized direct communication with the customer
- Testing as a way of life
- Clear calls to action in each message
- Data-driven strategies
- Analyses based on individual responses and behaviours
- Measurability
- Individualized promotions

So Posts, with their competitive advantage in direct marketing owing to their daily contact with the entire population, are specially positioned to assist their business customers with their marketing activities in the growing area of direct and digital marketing.



The continued relevance of direct mail

Traditionally, Posts have aided in the marketing activities of their business customers through direct mail, and they still do so on a major scale. In markets where direct mail is highly developed, there has been some reduction in volume owing to digital substitution. However, direct mail is basically holding its own; in the Winterberry Group statistics cited above, direct mail was steady at 17% of overall U.S. marketing communications investments from 2008 through 2014. Take the example of the United States – one of the countries at the forefront of digital development – where direct mail rose from 46% of total mail volume to 51% between 2004 and 2013³. In the United Kingdom, another leading country, direct mail hovers at around 30% of total mail volume.⁴ This has occurred even as digital marketing has grown. In other words, digital marketing is robbing most of its growing share of the marketing spend from traditional advertising, not from traditional direct marketing, which includes direct mail and teleservices.

It is not easy to find long-term projections on direct mail volumes to give us an idea of how that medium will develop in the future. However, a 2010 projection by the Boston Consulting Group on behalf of the United States Postal Service (USPS)⁵ forecasts a basically flat volume (3 billion more pieces between 2010 and 2020 for advertising mail). In an article published in 2013, the Heritage Foundation⁶ finds the U.S. Government Accountability Office to be about 15% too optimistic in terms of total mail volume, although it says that “the volume of advertising mail has largely been holding steady”. The international consultancy firm Pricewater-

houseCoopers (PwC) did a study for Royal Mail in the UK⁷ that shows direct mail, as a percentage of total postal volume, holding steady at around 30% through 2023. Although most sources admit that there has been a considerable amount of digital substitution for direct mail, PwC demonstrated in the UK that this has been much more notable in other categories, such as business-to-consumer (B2C) billings and monthly statements and newsletters, than in direct mail itself. USPS projection figures coincide with that finding.

The staying power of direct mail is attributable to the fact that it is an effective advertising and sales medium. Moreover, many recent studies that will be cited later in this Guide have shown that there is increasing complementarity between digital marketing and direct mail.

So direct mail continues to represent a substantial portion of advertising expenditures even in the increasingly digitalized developed world. Some postal executives in developing countries with low direct mail volumes may think, “Why make the effort to develop direct mail, if digital is growing so much?” This would be a major mistake! Not making this activity a high priority would be a major missed opportunity for the Posts of developing and least developed countries and would negatively affect both the country and its Post, as seen in the sections on benefits further on in this introduction.



Opportunities in digital marketing

Many of the above-mentioned complementarities between digital marketing and direct mail depend on consumers having Internet access and even smartphones. It is therefore relevant to cite reputable sources with respect to how these factors are evolving in the developing world. Figure 2 provides statistics on Internet usage by world region as of mid-2014. The far right column is the most important in this context: it shows the rate of growth of Internet usage and suggests that the developing regions of the world are fast approaching the rate of Internet penetration of the industrialized world.

The use of smartphones is perhaps the major reason for the growth in Internet usage in the developing world. The smartphone provides the user with “always-on” Internet access without the considerable investment of buying a personal computer and signing a contract for a household

Figure 2

The regions of the world with the highest concentration of developing and least developed countries are those that register much higher rates of growth in Internet usage, as shown in the last column of this table: Africa, the Middle East, Latin America and the Caribbean, and Asia. Therefore, we can conclude that those countries are rapidly catching up to industrialized countries in Internet usage.

Internet usage and rate of growth 2000–2014 by world region

World Regions	Population (2014 Est.)	Internet Users Latest Data	Penetration (% Population)	Users % of Total	Growth 2000–2014
Africa	1'125'721'038	297'885'898	26.5%	9.8%	6499%
Middle East	231'588'580	111'809'510	48.3%	3.7%	3304%
Latam / Caribbean	612'279'181	320'312'562	52.3%	10.5%	1673%
Asia	3'996'408'007	1'386'188'112	34.7%	45.7%	1113%
Europe	825'824'883	582'441'059	70.5%	19.2%	454%
Oceania / Australia	36'724'649	26'789'942	72.9%	0.9%	252%
North America	353'860'227	310'322'257	87.7%	10.2%	187%
WORLD TOTAL	7'182'406'565	3'035'749'340	42.3%	100.0%	741%

Source: <http://www.internetworldstats.com/stats.htm>. Consulted on 31/01/15

Internet connection. Many of the complementarities between digital marketing and direct mail, as we will see further on in this Guide, depend on smartphone usage. A much-cited 2014 study⁸ by the Groupe Speciale Mobile Association (GSMA) states: "The developing world overtook the developed world in terms of smartphone connections in 2011 and today accounts for two in every three smartphones on the planet, according to the new study. It is predicted that by 2020, four out of every five smartphone connections worldwide will come from the developing world." The preponderance and growth of smartphones in developing countries is depicted in Figure 3.

So the continued high revenue potential of direct mail and the increasing rate of Internet and smartphone usage in developing and least developed countries point clearly to the need for the Posts of those nations to focus on direct and digital marketing as offerings for their business customers. Direct and digital marketing products and services can either be used to complement direct mail or vice versa, or be provided as stand-alone offerings.

Benefits for the societies of developing and least developed countries

Direct and digital marketing provide important benefits for the societies and the economies of developing and least developed countries.

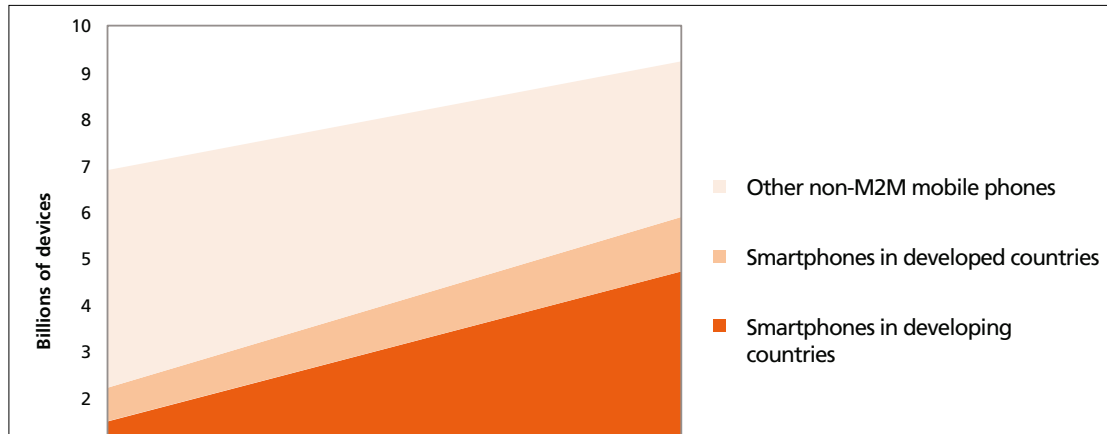
- Where domestic commerce is not highly developed, there may be very high prices and a limited variety of merchandise available in the few retail establishments that exist in remote areas. Providing an option to buy through direct and digital marketing is a **great benefit for the local population**.
- The development of direct and digital marketing benefits the whole economy by **creating jobs** in the new sales medium.
- It is especially beneficial to small and medium-sized enterprises (SMEs). Citing a well-known think tank⁹: "SMEs are a fundamental part of the economic fabric in developing countries, and they play a crucial role in furthering growth, innovation and prosperity." Unfortunately, owing to lack of capital, "[t]he SME sector [which] is the backbone of the economy in high-income countries... is less developed in low-income countries". Direct



Figure 3

Smartphone ownership is predicted to rise from 2.2 billion devices in 2014 to 5.9 billion in 2020. In 2014, people in developing countries represented 2 out of every 3 smartphone owners in the world. By 2020 they will be 4 out of every 5. These devices will be fundamental in converting the population of developing countries into recipients of digital marketing communications.

Number of mobile phone devices worldwide



Source: Based on statistics from the above-mentioned GSMA study.

and digital marketing **helps to level the playing field for SMEs** in comparison with big businesses because, unlike mass advertising, it does not require huge up-front investments in order to promote sales of the companies' offerings.

- Direct marketing is an important means for businesses of all sizes to advertise and distribute their goods and services. It is **much more cost-effective than traditional mass advertising media** when the objective is to reach a certain segment of the market with a compelling message that can lead to a sale.
- For the same reasons, governments, public service companies like utilities, and non government institutions often use direct marketing to communicate with citizens.



Benefits for the Posts of developing and least developed countries

Direct and digital marketing also provide important benefits for the Posts of developing and least developed countries.

- Direct mail, a major component of direct marketing within any Post's product and service portfolio, is a major **generator of volume** for Posts. It contributes to increasing the density of distribution, which makes the

postal business more viable economically, helping Posts to carry out their mandate of universal mail service in their respective countries.

- As a result, direct mail is also a significant **generator of income** for Posts in both developed and developing countries. Although many Posts have seen a reduction in income from direct mail since the world financial crisis in 2008, advertising mail income accounts for more than 25% of revenues for the USPS and this percentage is expected to increase. Correios in Brazil reports that direct mail is the third-largest income generator of the eight businesses of that Post, after letters and parcels. And in recent years, direct mail has accounted for as much as 30% of the South African Post's postal revenues.
- Direct marketing activities demand the **creation of many other traditional and value-added postal products and services** – including database, parcel, logistics and financial services – further increasing the Post's revenues.
- The promotion of direct marketing products and services that use cutting-edge marketing technology such as augmented reality, near field communication (NFC) and mobile apps **portray an image of the Post** as being among the institutions that are at the forefront of marketing communications in the digital world.

The principal points of this introduction are summarized below.



Why focus on direct and digital marketing in Posts

- Posts are favourably positioned for direct marketing because they are the only communications medium that obligatorily reaches all the inhabitants of a country, owing to their mandate to service the entire population.
- Direct marketing has a growing market. Direct marketing media, both the classics like direct mail and telemarketing as well as the newer digital ones, are together increasing their share of total marketing communications expenditures. Traditional advertising has fallen below half of total investment in industrialized countries like the USA, and is forecast to continue to decline.
- Direct mail, in addition to the continued demand for its traditional uses, is increasingly employed to complement and enable digital marketing communications (this important point is developed further later in this Guide).
- Digital marketing is fast gaining access to billions of people in developing and least developed countries owing to accelerated Internet adoption thanks to skyrocketing smartphone ownership.
- Direct and digital marketing benefit the societies of developing and least developed countries by supplying people with cheaper access to a greater variety of goods and services, creating jobs, favouring the development of SMEs and providing cost advantage over traditional advertising to the benefit of companies, NGOs, utilities and government entities in their communications with citizens.

CHAPTER 1: THE MEDIA



What is direct marketing?

According to one classic definition¹⁰, direct marketing is broadly defined as any direct communication to a consumer

or business recipient that is designed to generate a response in the form of an order, a request for further information, and/or a visit to a store or other place of business for purchase of a specific product or service. The most traditional forms of direct marketing are direct mail and telephone marketing (telemarketing). With the advent of digital communications, e-mail marketing has been rapidly incorporated into the habitual forms of direct marketing. It is important to note that, to perform these three types of direct marketing – direct mail in its addressed version, telemarketing and e-mail marketing – the marketer must have the contact data (name, postal address, phone number, and e-mail address) of the persons who will receive the messages.

When direct marketers wish to contact people beyond those whose data they currently possess or can obtain by buying, sharing or renting data from other sources, they utilize non-direct advertising media such as television, radio, newspapers, magazines, outdoor billboards and alternative ad media, which can involve almost anything, from sandwich men, to in-store proprietary video, to advertising in just about any place you can put an advertising message (the author recently saw ads printed on the seats of bicycles offered for free use by the City of Buenos Aires). Unaddressed direct mail is one form of this type of advertising medium, as are online display ads (banners), ads in search engines (search engine marketing or SEM), advertising in the form of “promoted posts”, Twitter cards or any other ad format on social media, and other digital vehicles. The messages that direct marketers place in these media are called “direct response advertising”, which is also a form of direct marketing. When doing direct response advertising, direct marketers will endeavour to obtain the contact data of the persons who respond to the ads so that they can continue marketing to them in the future through the direct channels.

An updated definition of direct marketing would also include relationship programmes, which are sometimes called frequency or loyalty

programmes. Virtually all customer communications in relationship/frequency/loyalty programmes utilize direct marketing techniques, and today most of them are made by e-mail or direct mail. More on relationship marketing programmes will be presented on pp. 54-56.

What is digital marketing?

In digital marketing, marketing communications are delivered through electronic devices, such as personal computers, tablets, mobile phones, game consoles and other equipment. Digital marketing messages can be sent through non-Internet channels like SMS and notifications on mobile apps, or through Internet channels like e-mail, display ads and social media posts.

Actually, nowadays, it can be successfully argued that digital marketing is just the evolution of direct marketing as it embraces digital technology. This book could have simply been called the *Direct Marketing Guide*, and it certainly would have been academically correct, encompassing all of digital within direct. However, many early digital marketers were slow to realize that the digital environment offered exceptional opportunities to obtain detailed response data, gather personal contact data, segment audiences, carry out a fine-targeting of messages according to people’s specific interests, and – in the end – bring day-to-day activity ever closer to realizing the direct marketer’s dream of consistently measuring the return on marketing investment (ROMI). Indeed, much of the early banner (display) advertising was conceived, created and published as if it were mass media advertising, which achieves none of these desired direct marketing outcomes. Certainly, advertising presence on well-trafficked websites has brand-building value. But to leave it at that and not exploit the tremendous possibilities of engaging people one-on-one online, measuring interactions and results, would have been a monstrous lost opportunity!

Luckily, the savvy digital marketers of today have fully embraced direct marketing principles. Moreover, the ready availability of web analytics makes the data-driven side of direct marketing relatively easy to embrace in digital marketing. But some newcomers to the discipline might not have grasped this philosophy yet.



So although it might be labelled a redundancy, this book is entitled the *Direct and Digital Marketing Guide* so as to leave no doubt in the minds of readers new to direct marketing that digital is very much a part of the future of marketing in Posts.

Types of direct and digital marketing communications

A simplified schematic diagram of the types of direct and digital marketing communications is seen in Figure 4. The direct communications media are on the left. In these cases, marketers **address** the customer or prospect directly. In order to do this, marketers need to have the subject's contact data (name, address, phone number). On the right-hand side of the diagram are the direct response advertising media. When marketers do not have the contact data of the people they wish to reach, they must resort to these media, which are **unaddressed** in nature. In both cases, some of the media are offline and others are digital (signalled in red typeface).

The diagram is called a "simplified" schematic for various reasons. It is unconventional to include mobile marketing with telemarketing, but the author would argue that SMS and app notifications go directly to an individual's personal phone and, as a result, are much closer to addressed mail, telemarketing and e-mail marketing than they are to display, search and social media marketing. Furthermore, there are myriads of highly sophisticated direct and digital marketing techniques – remarketing and retargeting¹¹ through online behavioural segmentation and proactive chat to name just two – that could arguably be considered targeted direct communications but that are not considered in the diagram to avoid complicating matters, particularly in a guide that aims to help install direct marketing in developing and least developed countries where it has not yet been fully pursued by the Posts.

In any case, the purpose of the diagram is to show how direct and digital media can be grouped for the interests of the readers of this Guide.

Finally, it should be clarified that, in all cases, the same media can be used with no direct marketing intention to speak of – for transactional communications, or just as good old brand advertising, with no database or data gathering at all – so this diagram should be interpreted as valid for when the communication is intended to

either generate a specific response (direct) or obtain a reaction to an advertising message (whether the respondent buys or not at that time) in which the prospective customer leaves his or her contact data and can therefore be targeted later through direct communications.

Each of the media involved in direct and digital marketing will be discussed in the upcoming pages, starting with direct mail (both addressed and unaddressed), then moving on to telemarketing, e-mail, mass media advertising, and finally Internet advertising.



Direct mail

There are two basic ways to do direct mail: unaddressed and addressed. Their respective characteristics and benefits are shown in the boxes in Figures 5 and 6.

Direct mail vehicles

Direct mail has various physical manifestations or formats. Any of them can be used in addressed or unaddressed versions, although some (like the expensive pieces of dimensional mail) are probably not practical for unaddressed pieces. The formats are listed in Figure 7.

The classic "direct mail package", in the North American direct marketing tradition, has five pieces:

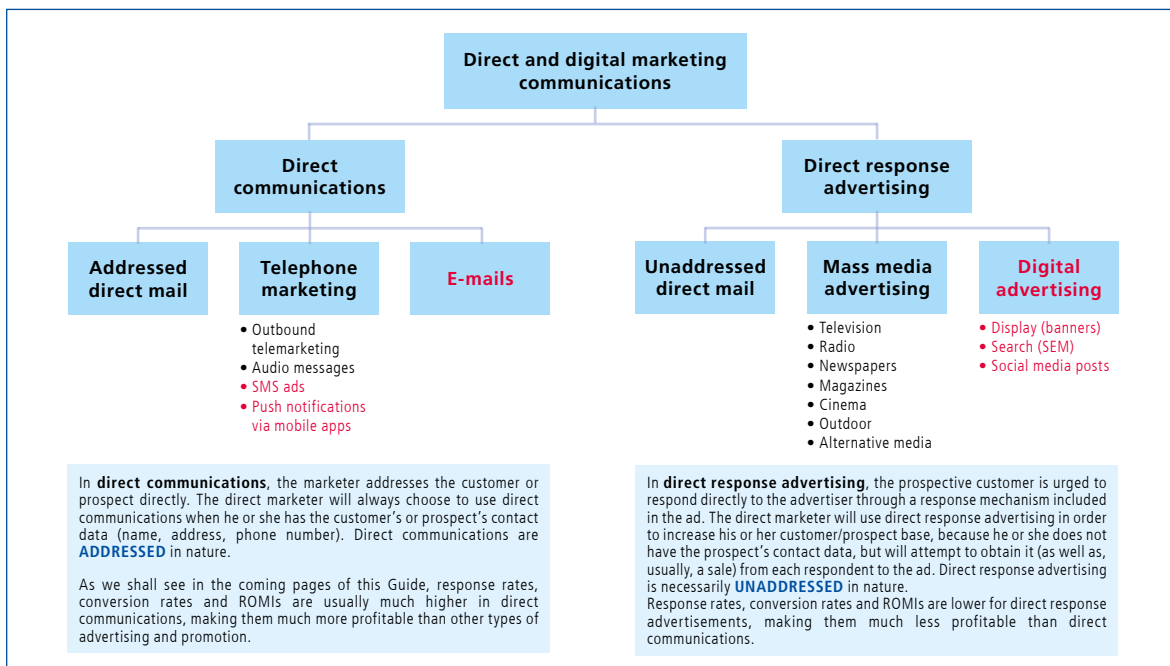
- 1) an outer envelope with a so-called "teaser" legend (something to tempt the recipient to open the envelope);
- 2) a letter;
- 3) a brochure;
- 4) a card for responding by mail; and
- 5) a postage-paid envelope in which to send the response.

This was ideal for the postal business because both the outbound solicitation and the inbound response were sent by mail.

Nowadays, particularly but not only in developing countries, many mailers are abandoning the classic package in favour of more economical formats. The question of whether this move away from the classic direct mail package is to be recommended is beyond the scope of this Guide; each marketer should test and measure the return on investment of each format and decide for him or herself.

Figure 4

Simplified schematic diagram of direct and digital marketing communications media



Source: Author's own elaboration. Traditional offline media are in black, digital in red.

One solution to reducing mailing costs and at the same time improving attractiveness and response rates is the "reverse envelope" shown in Figure 8 on page 25. This format permits the attractive brochure art, with its statement of benefits and call to action, to be appreciated through the envelope itself.

The examples in this Guide show many different types of mailings, such as what Australia Post calls "Impact Mail" and what the USPS refers to as "Customized MarketMail", in which a die-cut brochure in an attention-getting shape is mailed without an envelope, as shown in Figure 9.

The three half-fold brochures in Figure 45 on page 84, from Banco Columbia in Argentina, are also unusual shapes. They were poly-bagged (enclosed in transparent polythene bags) and had envelope stickers attached. This is an alternative for using unusual shapes when the Post will not accept irregularly contoured mail.

Today, direct marketers use varied outbound and inbound media strategies. Sometimes the initial stimulus is sent by mail, but the requested response is by telephone or e-mail. In other cases the stimulus is by mass media or Internet, encouraging people to request information which is then sent by mail, as shown in the example from Bermuda in Figure 11 on pp. 27-28.

The difference between addressing and personalization

Simply sticking on an address label or printing a letter that includes the name and address of and a salutation to a specific person does not "personalize" it. Direct marketers will agree that personalization greatly increases response rates to addressed direct mail, which itself usually has significantly higher response rates than unaddressed mail.

A simple way to personalize is by segments, customizing text and/or images for each group of customers with common needs or interests.

Full personalization involves sending customized information to specific persons, as in the Bermuda example above.

In Figures 12, 13 and 14, we can see more examples of personalization in very simple formats. Figure 12 is a self-mailer sent by a bank. Figure 13 shows a Brazilian mobile phone company's self-mailer to clients, recommending that they change their cell phone plan. Figure 14 shows a highly personalized postcard sent to car owners in Spain.

More information on personalization and how it can vastly improve direct mail response rates is included on pp. 92-94.

Figure 5

Unaddressed Direct Mail

- **What it is:** Unaddressed direct mail is advertising mail that does not include a specific address for delivery. It can have an envelope, or it can simply be an unwrapped flyer or brochure. Many Posts will also deliver product samples as unaddressed mail.
- **Benefits to the Advertiser:** Unaddressed direct mail is of low cost to the advertiser. It is best used when the advertiser wants to reach new prospective customers in a specific geographical area and does not have their names and addresses. It can also be used when a company has many customers in a specific zone and wishes to communicate with them at a low cost, although the mailer should be aware that the message will also reach non-customers in that area. Advertisers can also use unaddressed direct mail to build lists through “hand-raising” techniques (discussed on pages 82-86).
- **Benefits to the Post:** In some developing countries, there are no postal codes and the address system is quite unstructured, which is a major challenge for the Post and an obstacle for direct mail. Moreover, in practically all developing countries, there is a scarcity of mailing lists – the databases of names and addresses used to send direct mail – and those that do exist are often of poor quality. Promoting unaddressed mail is one way to make direct mail volumes grow despite a lack of good addresses and mailing lists.
- **Requisites for the Post:** To offer unaddressed mail successfully, it is necessary for the Post to provide segmentation options to advertisers. The Post must be able to segment the market geographically into delivery sectors that are relevant for advertisers. This usually means dividing cities into zones with similar socio-economic levels and separating business areas from residential areas. It also means that the Post must know approximately how many delivery points or “doors and doorbells” (the number of doorbells is relevant for multi-unit housing, such as apartment buildings) there are in each of these zones so that it can inform its advertiser customer how many pieces it should provide for each. According to the 2013 UPU/DMAB survey of direct mail products and services provided by Posts, only 32% of developing and least developed countries provide mapping and profiling for unaddressed direct mail, as opposed to 85% of Posts in industrialized countries. In those countries that have sophisticated postal code systems that facilitate geographic information systems (GISs), postal codes can be cross-referenced with national census and other data to create tiny geographic polygons in which concentrations of persons with very detailed demographic profiles live. This degree of detail exceeds the current possibilities of most countries, but some developing countries do actually offer them – Argentina and Chile, for example – so having these systems is not an unreachable goal. Read more about sophisticated postal codes on pages 89-90.
- **Concerns:** Unaddressed mail has sometimes been accused of being wasteful since it is not highly targeted, there is no apparent customer relationship between mailer and recipient, and the mailing is not solicited. Today, with global warming on the international agenda, direct marketers in developed countries are being asked to limit their carbon footprint and there is a clamour for the elimination of wastage. In some countries, legislation that would create “do not mail registries” – where people place their addresses on lists so that direct mailers are prohibited by law from sending any communications to them – is under consideration. In the absence of good mailing lists, unaddressed mail is certainly a major opportunity for the developing world, and it should be promoted within certain limits. What a carbon footprint is and how to minimize it in the case of direct mail is discussed on pages 162-165.

Figure 6

Addressed Direct Mail

- **What it is:** Addressed direct mail is advertising mail that is sent to the address and usually to the name of a specific recipient. It may have an envelope; it may simply be an unwrapped flyer, self-mailer or brochure with an address sticker; or it may be enclosed in a polythene bag with an address sticker. It can also be “dimensional mail”, the direct mail term for a piece that is not flat mail, but three-dimensional, such as a parcel or sometimes even an item like a ball or a bag with an address label.
- **Benefits to the advertiser:** In contrast with unaddressed mail, addressed direct mail targets specific customers or prospects (potential customers). In addition to the name and address, this mail can be personalized according to the segment to which the recipient belongs, regardless of where he or she lives. For instance, if the advertiser is offering a product that has different models with different prices, the lower-priced models can be featured for one group and the higher-priced for another. If well executed, addressed direct mail usually has much higher response rates than unaddressed, more than compensating for its higher per-item cost.
- **Benefits to the Post:** Addressed direct mail yields higher revenues per item than unaddressed direct mail. There is much less competition from private deliverers in addressed mail. Still, the availability of good, legitimate databases for direct mail continues to be an obstacle in developing countries. However, many existing customers of the Posts – particularly in service industries like banking, insurance, telecommunications, utilities, publishing (subscriptions), and retail commerce, among others – have their own customer mailing lists which they can use for addressed direct mail.
- **Requisites for the Post:** Unlike unaddressed direct mail, which requires geographical segmentation and doorbell counts, the basic addressed direct mail product does not have any special requisites beyond regular mail delivery standards. Most direct mailers will, however, be very demanding with regard to compliance with reliability and time standards for delivery, and some may require the recipient’s signature and/or a daily report on deliveries made. Ideally, this postal service should be used not only for communications to advertisers’ existing customers, but also for customer acquisition campaigns. This requires the availability of good mailing lists, which is a major problem in most of the developing world.
- **Concerns:** The same ecological concerns as for unaddressed mail apply to all of direct mail, although in the case of addressed mail to existing customers, which usually has higher response rates, the accusation of wastefulness is less applicable. However, the issues of privacy and data protection come into play in the case of addressed mail. This matter is explained fully on pp. 153-155 in Chapter 9.

Telephone marketing, contact centres and mobile apps

Outbound telemarketing, in which the marketer calls the customer or prospect, is one of the traditional forms of direct marketing. It is normally used to sell products and services to consumers directly by phone. Often, a prior message regarding the offer is sent via another direct marketing medium (like direct mail or e-mail, for instance).

If no previous message is sent and the person

contacted is not already an existing customer of the marketer, the process is called “cold calling”. There is considerable debate among direct marketing experts regarding the effectiveness of cold calling, with many maintaining that it is extremely ineffective, while others dispute that claim. Where there does seem to be consensus, however, is in the fact that response rates are higher when the telemarketing is combined with other direct marketing techniques, like the careful prequalification of potential contacts through research to reduce the call list to only the most promising prospects, and the “warming

Figure 7

Direct mail formats

- **Catalogues:** a very traditional use of direct mail, still much in vogue today.
- **Leaflets and brochures:** very often used in unaddressed mail; some marketers will also just send a brochure to known customers and prospects via addressed direct mail, either sealed with a wafer or wrapped in transparent polythene.
- **Newsletters and circulars:** information designed to inform and retain existing customers, donors to charitable causes or members of organizations. Like brochures, they can be sealed with a wafer or wrapped in polythene. They can also be sent in envelopes, although this increases the unit cost per mailing.
- **Self-mailers:** although technically any of the above can be sent without an envelope and qualify as self-mailers, the term is most often used to describe a single print piece that is designed to be folded so that the exposed panels have the mailing indicia, return address and “teaser” copy on the outside. The inside contains what normally would be written in the letter and brochure. These self-mailers are much more economical than most of the other formats, except perhaps postcards, since there are no envelopes to increase costs. See the illustrations of self-mailers in Figures 12 and 13 on pp. 30-31.
- **Letters:** with or without inserts, including the classic “direct mail package” described below. In orthodox direct marketing theory, the letter is the most important piece in any mailing because it engages the customer and explains why he or she has been targeted for this specific message.
- **Postcards:** an interesting low-cost option for direct mailers that can even be used with high personalization, as seen in Figure 14 on page 32.
- **Dimensional mailings:** postal pieces in three dimensions, like packages, parcels, tubes or any shape other than flat mail. These pieces are obviously much more expensive to produce and deliver than flat mail. However, in certain circumstances, particularly in business-to-business (B2B) communications where it is difficult to catch the eye of the busy executive, many marketers opt to spend more and send packages that are almost sure to be opened and read. This type of mailing is sometimes called a “door opener” in direct mail jargon because it is intended to attract the executive’s attention and encourage the executive to open his or her office door to receive a salesperson from the mailer’s company. An example is shown in Figure 10 on page 26.
- **Creative envelopes:** getting the direct mail piece opened is the first challenge for the marketer, so skilled direct marketers practise creativity in their treatment of envelopes. Placing teaser copy, illustrations and gimmicks on the envelope are classic moves. Different shapes and colours and handwritten addresses can grab the recipient’s attention, but they may affect the machinability of the piece and disqualify the sender from receiving bulk mail rates in some cases. Recently, the “reverse envelope” has taken hold in Europe as a solution, as seen in Figure 8.
- **Unusual shapes:** in recent years, flat-mail postal pieces die-cut in unusual shapes, which increases the attention-getting abilities of the mailing but at a much lower unit cost than dimensional mail, have become increasingly popular. Examples are “Impact Mail”, a product of Australia Post; and “Customized MarketMail”, a product of the USPS. Figure 9 on page 25 explains this development in greater detail.

Figure 8

The reverse envelope



This is an example of an addressed direct mail piece from Germany that uses the reverse envelope. The back of the envelope shows the return address, the window for showing the addressee, and the postal indicia.

This frees up the entire front of the envelope to display, in this case, the attractive offer of €75 in free advertising on Google Adwords. (Note that Google frequently uses direct mail throughout the world to promote Adwords among SMEs.)

This is an ingenious solution that keeps costs down, since no extra printing is required for the envelope, the offer is prominently and attractively displayed, and the piece is perfectly machinable, thus making it eligible for bulk-rate postage.

Figure 9

Unusual shapes

A good marketer knows that the principal challenge is to call attention to the direct mail piece to get it opened and read. He or she also knows that the creative variable that most increases the responses to a direct mail piece is the format. So, when a marketer wants to make a big impact on the recipient, provided the projected ROMI of the action will support it, he or she will often opt for dimensional mail (sending a package or other three-dimensional item). Few people can resist the temptation to open up a box to see what's inside!

But dimensional mail is expensive. That is why some marketers are looking at how to create high visual impact formats at a more affordable cost. This is where Australia Post's "Impact Mail" and USPS's "Customized MarketMail" come in.

See below a mailing sent to potential college students to invite them to an open house to promote admissions. This is a die-cut flyer has an unusual shape and it also included the student's given name in the headline. This attention-getting piece of pizza was sent with no envelope, so the recipient would receive the full impact at a single glance

The three half-fold brochures in Figure 45 on page 84, from Banco Columbia in Argentina, are also unusual shapes. They were poly-bagged (enclosed in transparent polythene bags) and had envelope stickers attached. This is an alternative for using unusual shapes when the Post will not accept irregularly contoured mail.



Source: www.clarigomarketing.com/case_studies/education1.php

up” of the contact by sending information by e-mail or, ideally, by direct mail prior to the call. A frequently used combination for B2B lead generation (see description on page 52) is to send a direct mail piece called a “door opener”, like the one in Figure 10, and then follow up with an outbound telemarketing call to try to obtain an appointment for a sales representative with

the executive targeted. This one-two move is also sometimes applied in B2C campaigns.

Two relatively new forms of outbound telephone marketing have come into frequent use in recent years:

- audio messages, also called “robocalls” (from robot) because there is no live operator on the line, but rather, a recording that greets

Figure 10

A “door opener mailing” for B2B marketing

This is a classic “door opener” direct mail piece, from Latin America. The mailer was a Spanish newspaper that is transmitted electronically and printed daily in certain Latin American capitals. The recipients were managers of hotels in those cities that regularly receive large numbers of Spanish tourists. The objective was to get those busy hotel managers to take time out to talk to a sales representative from the newspaper. The sales objectives were twofold: to get the hotels to buy subscriptions for their Spanish guests to read, and to sell advertising space to the hotels. A dimensional mailing – a box covered with messages inside and out – unfolds to reveal the traditional hotel front-desk bell.

A “door opener” mailing is intended to reach an executive directly, bypassing the secretary and any subordinates, and to make the executive more likely to accept a sales call from the sender company.



Figure 11

Bermuda Tourism offers a highly-personalized brochure on its website

Step 1 Click on "Request a Custom Brochure"

Request a Custom Bermuda Brochure

If you live in the United States, Canada, or Europe, we would be happy to send you additional information about Bermuda. You will receive your personalized information in the mail in approximately one week.

All you have to do is answer the following few questions...

Select Your Country:
Please Select

Step 1 of 4

Find Yourself on Bermuda

Download helpful brochures highlighting key travel information as well as guides to our dive sites, golf courses and other popular attractions:

- Accommodation Rates: November 2007 - March 2008
- Bermuda Heart & Soul Brochure
- Bermuda Secrets Brochure
- Cup Match 2007 Brochure
- Customs Regulations Fact Sheet
- Dining Fact Sheet
- Diving Brochure
- Diving & Snorkeling Fact Sheet
- Golfing Fact Sheet
- Notice of Intended Marriage Fact Sheet
- Notice of Intended Marriage must be printed on white legal size (8.5" x 14") paper to be accepted
- Marriage Fact Sheet
- Open Houses & Gardens 2007 Brochure
- Public Holidays Fact Sheet 2007 & 2008
- Butler's Introduction Fact Sheet 2006 & 2006

Step 2 Answer questions on your special interests

Insider details on Bermuda from A to Z

Tell us a little about your Bermuda plans...

How did you hear about Bermuda?
Search Engine

Have you ever been to Bermuda?
No

If yes, how long ago was your visit?
Please Select

When are you considering a trip to Bermuda?
In less than 6 months

What is the most important factor in selecting a vacation destination?
Please Select

What is most important to you on a trip to Bermuda?
Beauty of surroundings
Climate and weather
Hospitality/friendliness of residents
Proximity of location
Range of activities
Safety

Next

Step 3 Do you want more insider details?

Insider details on Bermuda from A to Z

We're putting together brochures just for you. We'll be sure to include information on accommodations, travel tips, and a map of our beautiful island. Would you also like to receive information on the following? (Select all that apply)

☒ Diving Guide ☐ African Diaspora Heritage Trail Guide
☐ Wedding /Honeymoon Guide ☐ Golf Guide

Step 3 of 4

Next

Step 4 Please provide your contact data

Insider details on Bermuda from A to Z

And lastly please provide your mailing information. Then check your mail in about a week or so for your personalized Bermuda information!

First Name:
Last Name:
Address 1:
Address 2:
City:
State: Alabama
Zip: -
Country: USA
E-mail address:

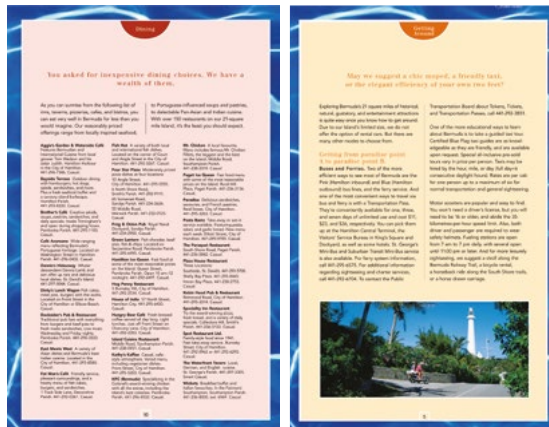
☐ Please email me from time to time with information on Bermuda's special offers and events.

Step 4 of 4

Submit

Step 5 Personalized letter and brochure arrive by Direct Mail





And to top it all off, a personalized map is included, signalling the places recommended in the brochure according to the person's expressed interests. The title of the page is "Relaxation has its place. Right here on this map." because the recipient indicated that relaxation was his main objective in considering a vacation in Bermuda.

consumers and attempts to get them to respond by pressing a number that will connect them with an operator if they are interested in receiving more information about the product or service offered; and

- text messages by SMS.

While these are two valid marketing methods, it is recommended that marketers be cautious in using them because most direct marketing associations (DMAs) – among them the ADMA in Australia, the Canadian Marketing Association, and amdia in Argentina – agree that, if not correctly targeted, they can be quite irritating to consumers. In particular, the indiscriminate use of audio messaging and commercial SMS while applying such techniques as the dialling of sequential or randomly generated numbers to contact a large number of persons whose identity is not known, is considered a bad practice and is actually illegal in some countries, since it is comparable to “spamming” in a telephone context (see more about privacy concerns on pp. 153-160 of this Guide).

In this Guide, notifications on mobile phone apps are included in the category of direct marketing messages when those notices have a sales-related intent. When Facebook advises you that a friend has tagged you in a picture, or when Twitter says you were mentioned in somebody’s tweet, those are not marketing messages. But when a restaurant in the neighbourhood you are passing through at lunchtime offers you a 15% discount if you drop in, that is a direct marketing message. Figure 15 shows an illustration.

In addition to outbound marketing communications, which are technically direct marketing, the same contact centre that makes these calls can do other types of work required in the direct marketing value chain, as discussed on pp. 116-117. This includes inbound telemarketing, in which the interested parties call the company instead of the other way around. Contact centres can also receive and respond to inbound customer inquiries that arrive by e-mail, or by chat or online real-time messaging. These services are an essential part of response management for direct marketing campaigns, as discussed on pp. 99-102.

Actually, all of the above activities are examples of business process outsourcing (BPO), in which companies delegate these and many other functions to the contact centre. Posts can certainly consider offering contact centre services, including direct marketing, related

value-chain functions, and general BPO activities. The Saudi Post and Correo Argentino (the Argentinean Post), for instance, have run successful operations of this type for several years, producing added income and profitability for the Post. Figure 16 shows some of the services offered in Argentina.



E-mail marketing

Marketers were strongly attracted to e-mail as a direct marketing medium for two reasons: it is very fast when compared with direct mail, which requires many days to print, finish and deliver; and it is very cheap in comparison with direct mail and, especially, outbound telemarketing. And, without a doubt, there has been considerable e-mail substitution for direct mail, although exactly how much is hard to estimate: the global financial crisis of 2008 is a clear economic cause that is also very much responsible for a decline in direct mail volumes and subsequent sluggish growth in industrialized countries.

Total investment in e-mail marketing is a great deal lower than expenditures in direct mail, and this is logical given that e-mail is so much more economical to use: the marketer can make many more contacts for much less money. In the United States, e-mail marketing expenditure accounts for only 5% of direct marketing spend. However, although it is extremely difficult to find precise estimates of the number of legitimate (non-spam) commercial e-mails sent, the researcher Forrester¹² has put forward a number that is approximately 10 times the volume of advertising mail processed by the USPS annually! That is a huge number of e-mails!

With respect to the growth of e-mail marketing, according to Winterberry Group statistics¹³, U.S. marketers spent 2.3 billion USD on e-mail marketing in 2014, versus 45.7 billion USD on direct mail. The cumulative annual growth rate (CAGR) of investment in e-mail marketing in the United States has been declining, from 20.8% per year between 2007 and 2009, to only 4.4% from 2009 to 2014. Whereas this was higher than the growth in investment in direct mail from 2009 to 2014, which averaged about 0.7% per year, it was far below the increase in overall digital marketing spend, which has been growing at 15.8% CAGR.

The reduction in the growth rate of e-mail marketing is, to a great degree, due to the fact

Figure 12

Combining offset and digital printing to personalize at a lower cost

A self-mailer from a bank in Argentina, offering a loan, this inexpensive direct mail piece was printed first in offset and then personalized in a single colour on specific lines and areas of the layout.



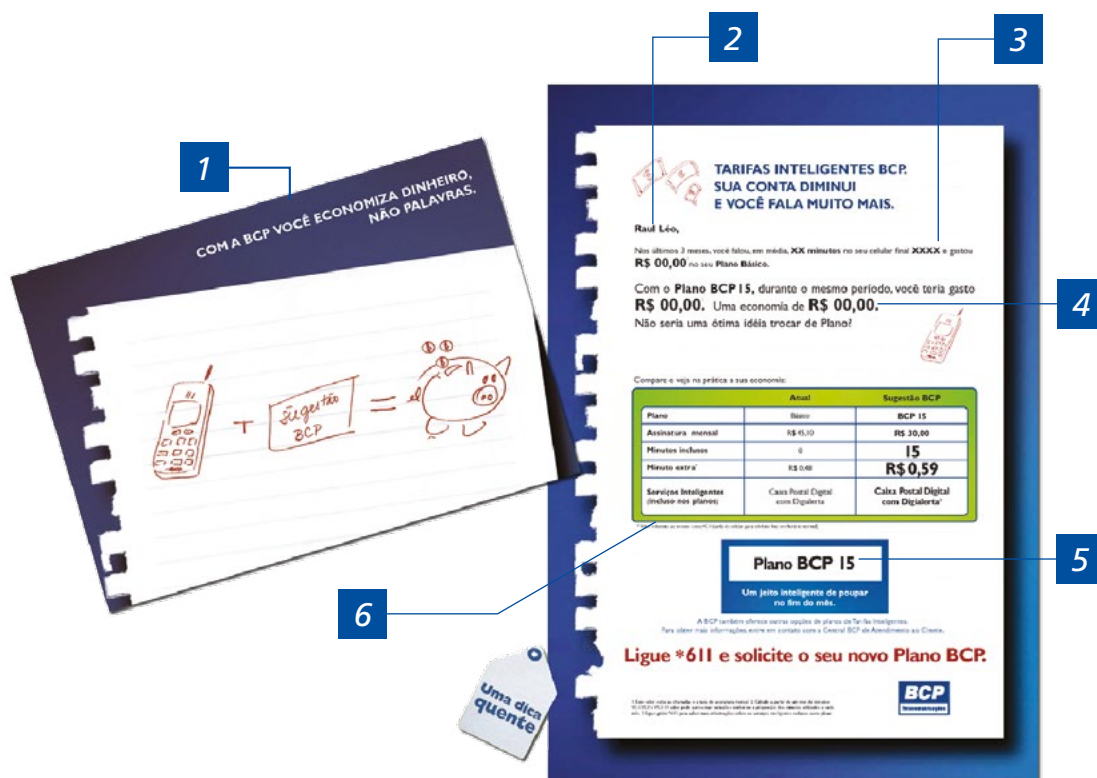
1. Open, interior
2. Personalized amount of loan
3. Text has personalized salutation and repeats amount of loan
4. Coupon personalized with customer name and amount of loan
5. Folded, front with address and postal indicia
6. Folded, back

This is an example of a low-cost mailing, using simple personalization techniques.

Figure 13

A highly personalized self-mailer

The Brazilian mobile phone company BCP produced an inexpensive self-mailer that contained lots of relevant personalized information. An even lower-cost alternative would have been to send a non-personalized mailing showing all the plans the company offered. However, in that case, customers would have had to calculate their own consumption and the cost, and then compare it with all the other plans to determine which plan was the best for them and how much they would save by changing over to it. In the mailing shown here, the company does that work for the customer. Because of that high degree of personalization, this piece was extraordinarily effective. It had a 31% response rate, which is extremely good, and much higher than what could have been expected from a mailing without this personalized information.



1. Exterior, back. Folded
2. Personalized salutation
3. Average of minutes used and charges for last 3 months
4. What it would have cost the customer if he had used the recommended plan
5. Call to action: Buy the recommended plan
6. Comparative table: Present plan vs. recommended plan

Figure 14

A highly personalized postcard direct mail campaign

The automobile manufacturer Chrysler wanted to encourage car owners in Spain to continue to use official dealers to service their cars after the initial guarantee period had expired. Chrysler had the car licensing data from their sales, including the name and address of the owner and the model, year and colour of the car. Chrysler used variable printing to make postcards that showed each customer's car, with the exact model, colour and licence plate number. Who wouldn't read a postcard that had a picture of their very own car? The back of the postcard showed the dealer name and address, recommended certain types of service according to the age of the car, and provided special price offers.

Two examples of the front of the postcards, with different models, colours and licence plates:



The back of the postcard, with personalized data: name and address of recipient; model of car; name, address and phone number of dealer; and special offers.

En la Red de Talleres Autorizados Chrysler Jeep
lo más exclusivo siempre es tu vehículo

1

Así es, en la Red de Talleres Autorizados Chrysler Jeep, tu **Jeep Wrangler** siempre será lo más exclusivo. Porque sólo aquí tiene a su disposición **todo lo que tu vehículo necesita para seguir estando como el primer día:**

Recambios Originales MOPAR
El mejor Servicio Técnico
La más alta calidad de servicio

Por eso, aún recordamos la última vez que disfrutaste de todos estos servicios. Fue el pasado 09/11/03 y esperamos que, tanto tú como tu Jeep Wrangler, **quedareis satisfechos con el trato recibido.**

Ahora queremos animarte a realizar la próxima puesta a punto en la Red de Talleres Autorizados Chrysler Jeep. Porque, además de la calidad de siempre, te ofrecemos **ofertas de paquetes de precios exclusivos.**

Te recordamos que tu Taller Autorizado Chrysler Jeep habitual es:

MÁLAGA CENTRAL DE IMPORTACIONES S.A.
Avda. de Velázquez, 206
CP 29004
Málaga
Tel.: 952 24 62 43

Y éstas son las ofertas exclusivas
que, presentando este tarjetón, podrás disfrutar:

Aceite 10W/40M y Filtro	64,92 €	Amortiguadores Del.	188,07 €
Filtro Aire	50,43 €	Amortiguadores Tras.	188,07 €
Correas Accesorios	60,69 €	Escobillas Limpia Del.	20,06 €
Anticongelante	88,02 €	Escobillas Limpia Tras.	14,83 €
Discos Del. y Past. Frenos	15 %		
Tambores Tras. y Zapatas	15 %		

Oferta válida para el modelo Wrangler 2.5
Si estas ofertas no son aplicables a la motorización y acabado de tu vehículo, podrás beneficiarte de un **15% de descuento** en el precio de los recambios correspondientes.

Alfonso Rodríguez Pérez
C/ Francisco Iglesias, 29, 3º A Izquierda
CP 29004
Málaga

4

Promoción válida hasta el 31.03.06. Precios con IVA y mano de obra incluida. El 15 % de descuento se aplicará únicamente a los recambios, no siendo extensivo a la mano de obra. Para más información de la presente promoción, así como para la verificación de las ofertas en caso de error o discrepancia, acude a tu Taller Autorizado Chrysler Jeep. Existen numerosas excepciones en JALPILCHISTOLEX ESPAÑA S.A.

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1. Model of car
2. Name, address and phone of dealer
3. Personalized offers
4. Name and address of recipient

that marketers have learned from experience that e-mail is not a good prospecting technique for customer acquisition. This is due to several factors. One is that deliverability is a major challenge, as explained in Figure 17. Another is that, despite the reduced spam, there is still a lot of clutter¹⁷ in people's e-mail inboxes. Figure 18 shows the results of a Belgian survey on the number of advertising messages received per week by the typical consumer in that country.

With so much clutter, especially in e-mail, many of the messages that do arrive are simply never opened. In fact, the U.S. DMA¹⁸ has measured that only 22% of marketing e-mails sent to house files (lists of current and former customers coming from companies' own databases) are opened, as opposed to 11% of marketing e-mails sent to prospect files (lists of potential customers that are usually rented from third parties). According to the DMA, the response rate for e-mails to house lists is a meagre 0.12%, but the response rate from prospect lists is much lower still, at 0.03%. So the open rate is twice as high when the company e-mails its own customers, and the response rate is four times as great, attesting to the fact that e-mail is best used to communicate with existing customers and that it is definitely not a very good prospecting technique. Where e-mail does excel is in relationship or loyalty programme messages, as we shall see on pp. iii-uuu.

If e-mail open rates vary between **11%** and **22%** (DMA), then the percentage of e-mail marketing messages that are actually seen by the recipient is very low when compared with the rates for direct mail registered in the UK and the U.S. In the UK, house-list direct mail was opened and read 70% of the time, and prospect-list direct mail was opened on average 57% of the time.¹⁹ In the United States, the USPS²⁰ claims that advertising mail is read, or at least opened and scanned, 80% of the time. Thus, taking those two countries as an example, direct mail is received and opened between 57% and 80% of the time – a huge difference in comparison with e-mail.

This big advantage of direct mail is what, in advertising terminology, is called "reach" – the percentage of the target audience that is actually reached by the message. No other medium can consistently come anywhere near direct mail in reach. Even the television ratings for the famous Super Bowl in the United States never reach 50% despite being held just once a year, as compared with a consistent **57%** to **80%** of "viewership" for direct mail!

However, e-mail as a direct marketing medium is staging something of a comeback, as marketers learn how valuable a tool it can be in customer relationship management and cross-channel marketing (more information on both of these activities is provided further on in this Guide). Winterberry Group in the United States²¹ says that, over the past several years, e-mail has shown a slow but steady rise in spending as marketers continue to focus on e-mail in their approach to customer relations and campaign management. There has been a resurgence in marketer attempts to obtain permission e-mails from interested parties, and many different tactics are used: for example, every day, more and more websites are including a pop-up form requesting visitors' e-mail addresses, like the one seen in Figure 19 below.

Figure 15

Push notifications can be direct marketing messages


 To the left, is a drawing of how the app icon appears when a notification is pending. Below is an example of how a so-called "push notification" might pop up on a smartphone screen. It says "Coulter Motor Company. Need your car serviced? Here are a few coupons to help you out this May!"



Figure 16

Posts can develop a successful contact centre business, complementing direct marketing with value-added services and generating additional income

The services offered by the Argentinean Post's contact centre include the full gamut of direct marketing, response management and other business process outsourcing practices. They include the following: direct marketing campaigns, loyalty and retention programmes, telephone support for product launches, marketing research, integral telesales processes (including normalizing the telephone database, outbound and inbound calling, closing the sale by phone, distributing the product by parcel mail, and centralized reporting and follow-up), pre-scheduling of parcel deliveries by phone, back-office after-sales service, help desk service for technological products, audio messaging, telephone activation of credit cards and the like, telephone list validation, debt collection services including legal advice by mail, and surveys

CORREO ARGENTINO 10 AÑOS ABRAZANDO LA PATRIA
CORREO OFICIAL

INICIO MAPA DEL SITIO CONTACTO PREGUNTAS FRECUENTES
ACCESO CLIENTES

CORREO ARGENTINO PRODUCTOS Y SERVICIOS FILATELIA CORREO Y LA COMUNIDAD NOTICIAS

INICIO » CONTACT CENTER

Contact Center

Mediante operadores especialmente capacitados y supervisados, más la tecnología de primera línea que se requiere, el Correo Argentino lleva adelante campañas de venta directa, atención a clientes, apoyo de fuerza de venta y gestiones de calidad.

Telemarketing
Ya sea para realizar campañas de marketing directo, fidelización y retención de clientes, soporte telefónico para lanzamientos de productos y servicios, investigación de mercado u otros.

Televenta de productos y servicios
Se presta en Correo Argentino con la ventaja competitiva de consolidar en un solo proveedor toda la operación: normalización de base de datos, emisión y recepción de llamados, cierre de venta, distribución, rendición centralizada, seguimiento e informes de venta.

Servicios de valor agregado
Algunos de estos servicios son: programación telefónica de tercera visita, aviso de visita telefónico y servicios posventa de back office.

Soporte telefónico de productos tecnológicos
Mesa de ayuda, emisión automática de mensajes pregrabados, conformación telefónica de recepción de contenidos y activación telefónica de servicios.

Servicios telefónicos con base de datos
A partir de una base de datos provista por su empresa, el Contact Center genera acciones telefónicas para validar la información para futuras acciones o campañas de marketing directo.

Telecobranza
Los operadores especialmente capacitados negocian con los clientes de una cartera de deudores morosos, un plan de pagos y/o reconversión de deuda. La telecobranza se complementa con los servicios de intimación postal fedataria y de recaudación.

Telencuestas de calidad de satisfacción
Posibilita a su empresa medir la percepción de sus consumidores / usuarios respecto de los productos y servicios comercializados.

SEGUIMIENTO DE ENVÍOS
CONSULTA CPA
ATENCIÓN AL CLIENTE
SUCURSALES
FORMULARIOS ON LINE

e-tienda

Ministerio de Planificación Federal, Inversión Pública y Servicios
Secretaría de Comunicaciones
CNC COMISIÓN NACIONAL DE COMUNICACIONES
Ministerio de Justicia y Derechos Humanos, PDP-2015 Programa Nacional de Buenas Prácticas de Responsabilidad Social Corporativa 2015-2017
Presidencia de la Nación
Argentina

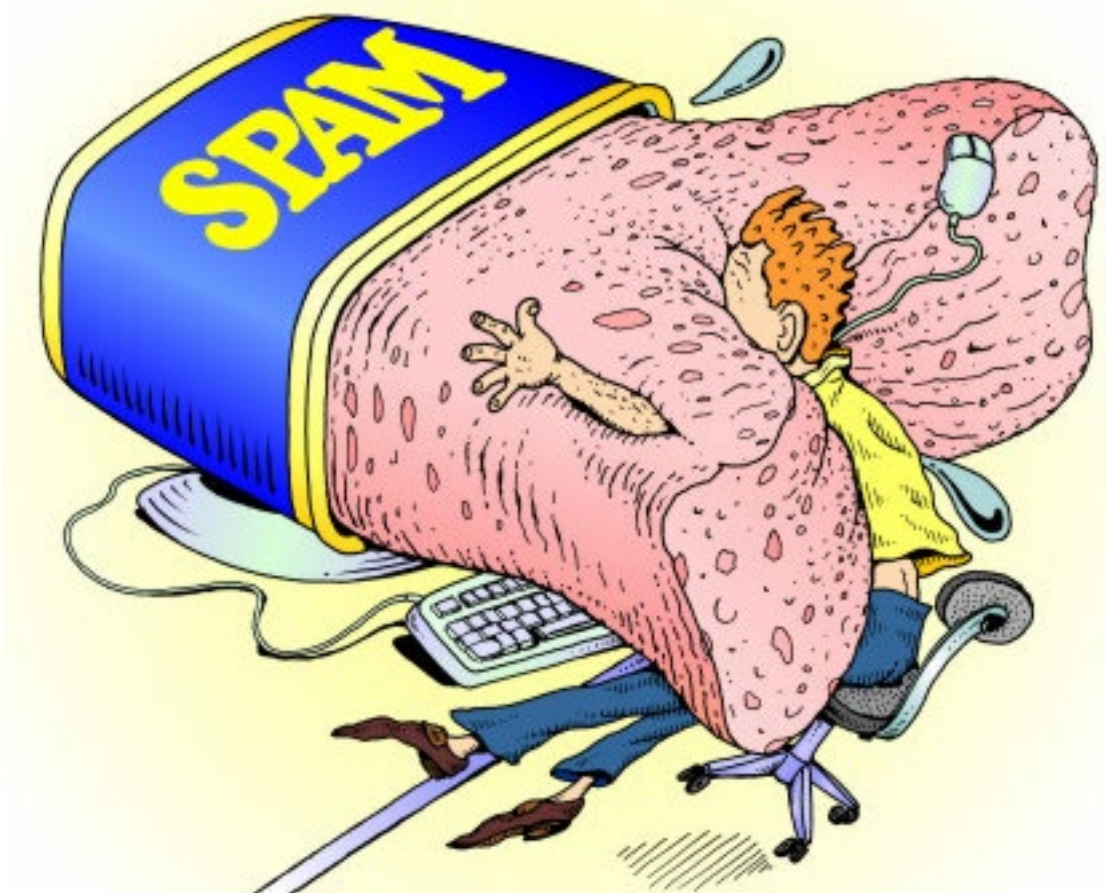
Correo Oficial de la República Argentina | 2015 | Todos los derechos reservados | Términos y Condiciones | Webmaster

Source: www.correoargentino.com.ar/pagina/contact-center consulted on 06/02/15

Figure 17

Spam

The greatest enemy of e-mail marketing is “spam”, a slang word that refers to unsolicited bulk e mail. The origin of the term is unclear, but it apparently alludes to the ubiquitous canned lunchmeat that supposedly nobody wants or likes! Internet lore sets the year of the first e-mail at 1971, and it only took until 1978 for the first spam message to be sent!¹⁴



By the late 1990s, spam had become so pervasive and annoying to e-mail users that it led to the development of an anti-spam movement, the best-known organization of which is the Coalition Against Unsolicited Commercial E-mail (CAUCE), which was founded in the United States in 1997 and rapidly spread to other countries. By 2003, there was anti-spam legislation in place in the European Union, the United States and some other jurisdictions.

Despite the legal restrictions, spam continued to be a major problem, clogging users' inboxes and reducing substantially the effectiveness of e-mailing as a direct marketing medium: users were overwhelmed by the number of unsolicited e-mail messages, which represented the majority of messages, so they deleted most unopened. In the mid-2000s, the major mailbox providers began to take matters into their own hands, rejecting most bulk e-mail messages outright and lodging others in special "spam" files separate from the user's inbox. This finally brought relief to beleaguered e-mail users. Although experts insist that by mid-2014 almost 70% of all e-mail traffic worldwide was still spam, the lion's share is obviously being filtered prior to reaching users' inboxes.¹⁵

But the spam filters complicate life for direct marketers wishing to sell via e-mail, even those who practise “permission marketing”, meaning that they have their recipients’ express authorization

to send them e-mails. According to the specialized research firm Return Path,¹⁶ in 2014, one-sixth of all permission e-mails sent in the United States never arrived in the recipients' inboxes, largely owing to spam filters created by the mailbox providers. The same source states that in Brazil – a developing country – the missing or filtered-out permission-based e-mails were 40% of the total sent!

Non-permission e-mails are permitted in many countries outside the European Union, including – as far as the author has been able to ascertain – all developing and least developed countries. If a Post or its clients decide to employ non-permission lists, extreme caution should be exercised to ensure that good segmentation and targeting are used (see glossary definitions and p. 164) to avoid indiscriminate "spamming". Still, although reliable statistics are not available, it is to be presumed that the percentage of non-solicited e-mails that are filtered and not delivered to users is even higher than in the case of permission e-mails.

Owing in part to the objective of avoiding the filters and in part to the useful consultancy and analytical services they provide, a new player in the e-mail value chain has grown in importance in recent years: the e-mail service provider (ESP) – also called e-mail delivery or deliverability service providers. These firms specialize in developing relationships with mailbox providers, with the goal of agreeing upon acceptable e-mail practices and, consequently, being "white-listed" (placed on a list so that their clients' e-mails will not be subject to such strict filters). Today, using one of these ESPs is almost a must for most e-mail marketers.

Image source: Vince Lamb. <https://www.flickr.com/photos/22320444@N08/5270166802/>

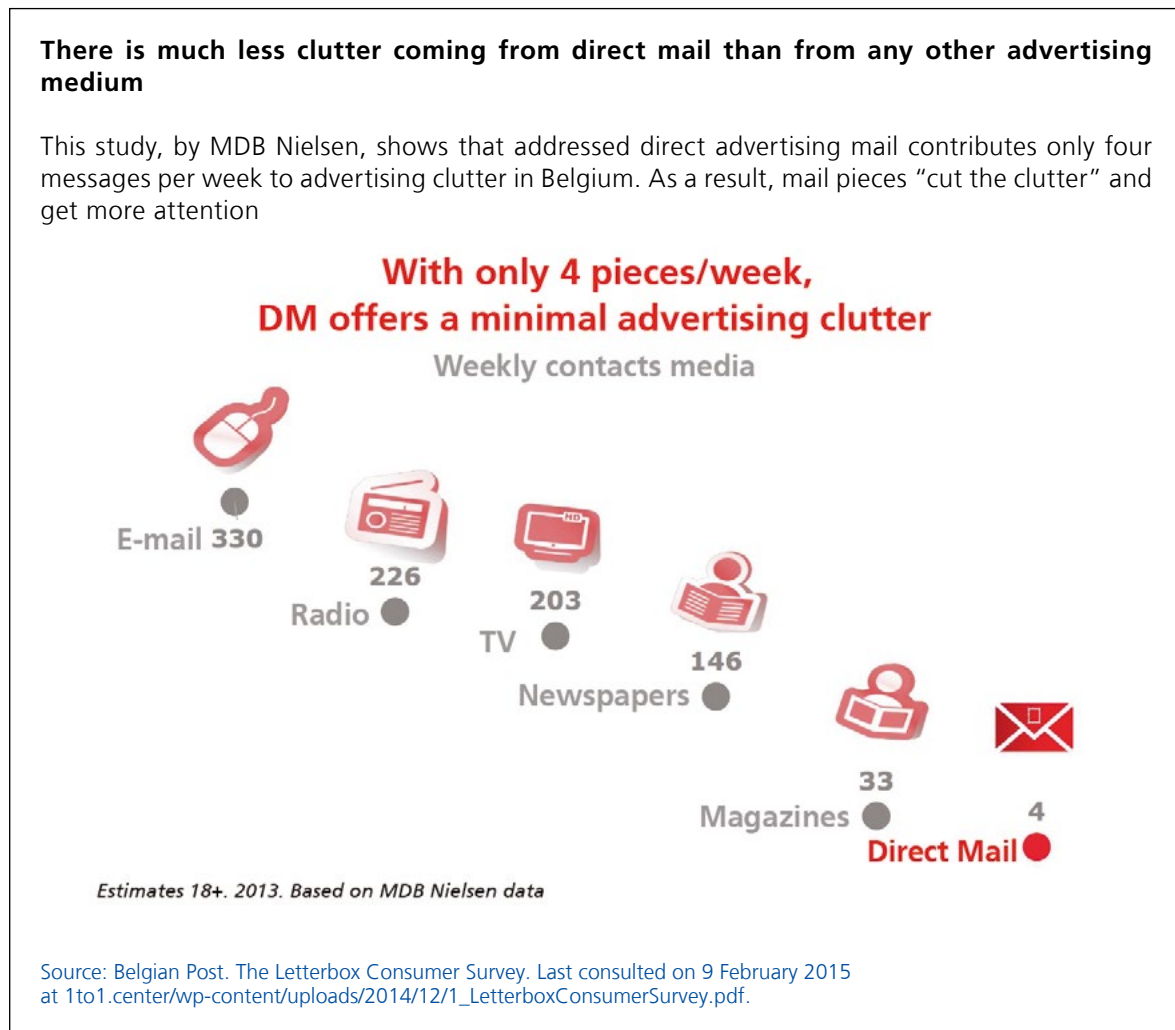
Companies are keen to build their e-mail permission lists, like the one the retailer Anthropologie is working on in figure 19 below, because, according to Winterberry, "[e] mail list building and opt-in across devices is increasing in value because it is the key to cross-channel audience recognition—and therefore targeting, attribution, etc." The experts at Experian²² in the United States state that, "[w]ith e-mail strategies often acting as connectors to website, mobile, social, print and in-store strategies, e mail has become the natural hub in driving cross-channel integration". (This Guide explains the terms cross-channel, targeting and attribution in Chapter 3.) This is owing to the fact that marketers are focusing on e-mail in their approach to campaign management and to the "customer journey"²³, which is the series of contacts or touchpoints between a customer and a brand from the moment of initial brand awareness through actual purchase, followed by the maintenance of an ongoing customer relationship. So e-mail is becoming a key medium for managing the customer relationship in the digital era. This is a vastly different approach from the prospecting e-mails so typical of the early years of the activity.

The same phenomenon is occurring throughout Latin America – a developing region – where, according to Daniel Soldán,²⁴ CEO of the ESP

emBlue, a company active in Argentina, Brazil, Colombia, Mexico, Peru and Uruguay, as well as Spain, Portugal and France, "[e]-mail is a constantly growing medium, as CMOs and their teams mature in the use of this tool. They now understand that success lies in the formula content + frequency + segmentation, and not in the insatiable quest for new e-mail lists. Additionally, e-mail allows them to steer their contacts into the realm of customer relations, as opposed to pure sales and promotion. Using strategies like trigger or real-time e-mail marketing, these executives are discovering the customer journey and are maintaining contact with the buyer at each stage in the process." Citing soon-to-be-released research conducted in Latin America, Soldán states that the companies surveyed were practically unanimous in responding that almost all of their online strategies include e-mail marketing as an integral part, and that the increase in Latin American digital marketing budgets in 2015 will be much greater for e-mail than for social media – and that is a major shift!

Therefore, as Posts in developing and least developed countries consider their direct and digital marketing product and service offerings, the growing importance of e-mail should definitely be taken into account.

Figure 18



Comparing the three direct communications media

Figure 20 shows the actual results of a direct marketing campaign conducted in early 2015 in a South American country.

This data would suggest that, at least in some developing countries as well as in the industrialized world, e-mail results are far inferior to direct mail results, not from a relative profitability standpoint – both are very profitable and e-mail is more so in percentage terms – but from a conversion rate and total sales standpoint.

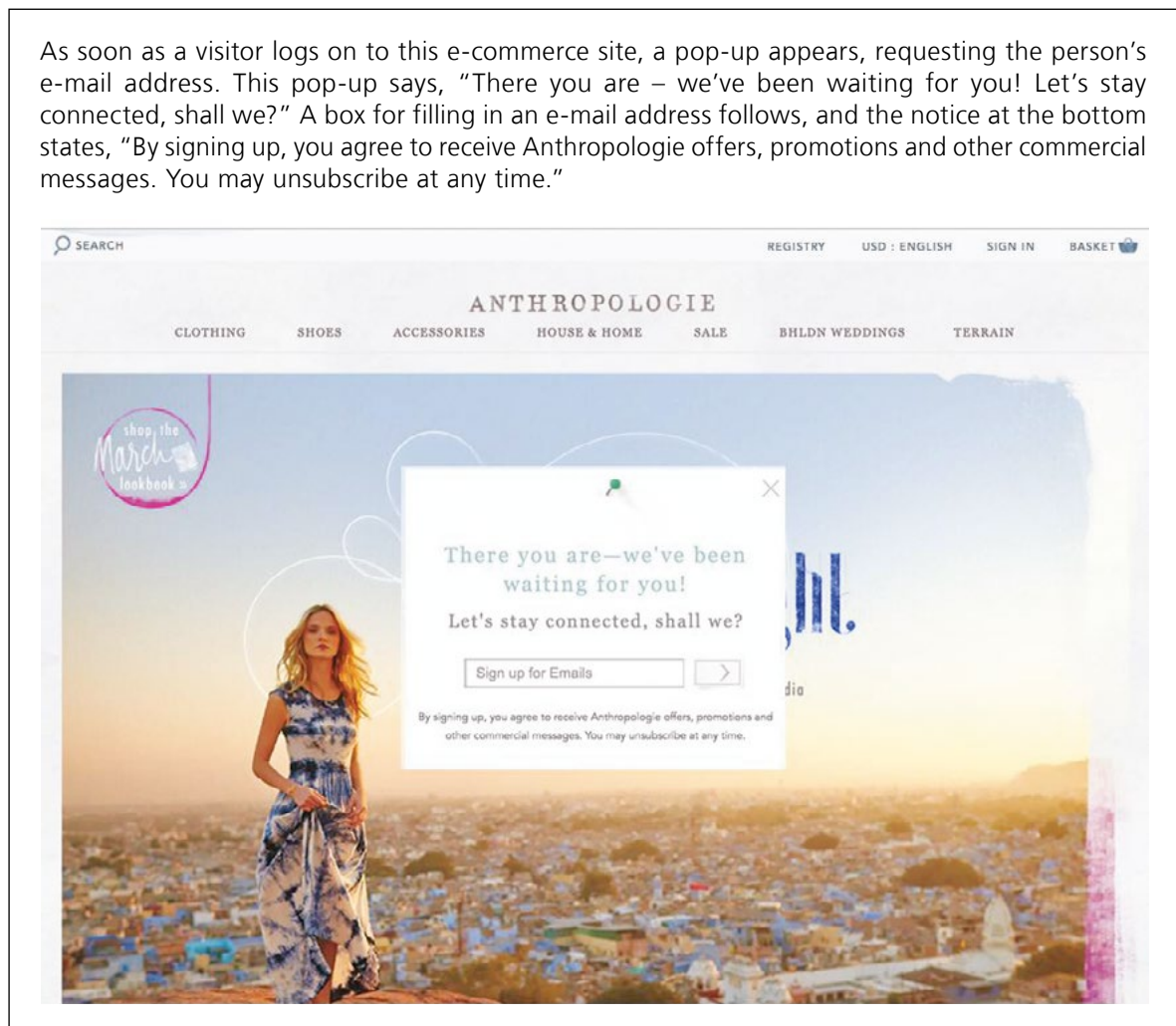
Likewise, e-mail compares similarly to outbound telemarketing in terms of inferior sales. The U.S. DMA response rate and the author’s ample experience in South America suggest that outbound telemarketing performs even better than direct mail in comparison with e-mail

results. It achieves much greater volume than e-mail, although it has a lower, but still very acceptable, ROMI.

Figure 21 is a schematic representation of the expected performance of each of the three direct marketing media on various results parameters for sales campaigns aimed at house lists and prospect lists, respectively.

Caveat lector: Actual results will always depend on the particular circumstances of each campaign. In addition, the idiosyncrasies of each market may very well affect consumer receptivity to different media. The above outcomes cannot be ensured. Moreover, these results are obtainable by experienced direct marketers carrying out the campaigns correctly from a professional standpoint. Executives new to direct marketing should obtain qualified guidance and test their campaigns in small numbers to project their

Figure 19



expected results before committing sizable investments.

It is essential that a Post's sales team understand the dynamics and expected results of each of the direct and digital marketing media in order to correctly advise and serve their business customers.

Mass media advertising as a direct response mechanism

The first thing one needs to know is how to tell when a message is pure advertising and when it is a direct response ad, which is a type of direct marketing. A direct marketing message, in any medium, always²⁶ has two elements: a clear call to action and a response vehicle. When you see a call to action and a response vehicle, the ad is a direct marketing message. Figure 22 shows examples.

The mass advertising media that can be used for direct response include network television, cable television, radio, newspapers, magazines, cinema, and outdoor or out-of-home. The variety of alternative advertising media is endless: ads at the point of purchase; flyers distributed by hand; video networks in stores, elevators and subways; etc. The most audacious unconventional media usage (like the Red Cross example in Figure 22) is sometimes called ambient marketing or guerrilla marketing.

Whenever any of these media contain messages that include a call to action and a response vehicle, they are being used for direct marketing as direct response advertisements. The good direct marketer will, at some point in the process of interacting with the prospect, try to obtain the prospect's contact data (name, postal address, phone number, e-mail address) in order to continue the relationship through direct communications like addressed direct mail,

Figure 20

Direct marketing campaign in a developing country, comparing two direct marketing media

This campaign ran in early 2015 in South America. The marketer was a national retail chain specializing in the sale of electronics, appliances and computer equipment for the home. The group of products and prices offered was exactly the same for all customers contacted. Some received a simple direct mail piece and others an e-mail, both containing the same offer. A house list was used in both cases; in other words, this was not prospecting, but rather, cross-selling and up-selling to existing customers. The decision on which medium to employ depended on the data on file with the retailer and on customer preference (the company had permission to e-mail the people who received the message through that medium). The monetary figures are in local currency.

COSTS	Creativity	Programming	Print, finish & distribute / item	Total investment	Quantity sent	Unit cost
Direct mail	P 2750	-	P 5.49	P 274,500	50,000	P 5.56
E-mail	P 2750	P 210	P 0.004	P 3160	50,000	P 0.06

INCOME	Quantity sent	Conversion rate	Number of sales	Average profit per sale	Total profit	ROMI
Direct mail	50,000	9.1%	4550	P 630	P 2,866,500	10.3
E-mail	50,000	0.35%	175	P 590	P 103,250	32.7

Source: Data provided to the author by the marketer company, which prefers to remain anonymous (January 2015).

The ROMI is the ratio resulting from dividing total profit by total investment in the campaign. Perhaps unusually in this case, the e-mail ROMI is very high – more than three times the ROMI of the direct mail piece. This is because e-mail is so inexpensive. (Please note that, as shown in Figure 26, such high e-mail conversion rates are not generally the case in the United States.)

But even with the unexpectedly high e-mail ROMI, it is also extremely important to note how the **conversion** rate (number of people making purchases as a percentage of the total number of messages sent) for direct mail is vastly superior to that for e-mail. As a result, the **number of sales** was 26 times higher for direct mail! And consequently, the **total profits** were much greater for the direct mail piece. These figures are highlighted in blue in the chart. The 10.3 ROMI for direct mail is excellent: it means that earnings from sales were more than 10 times the amount invested in the direct mail campaign.

These results are what can be expected in other comparable cases and are remarkably similar to the conversion rates and ROMIs registered by the U.S. DMA in its most recent response rate survey. ²⁵

Lessons to be learned. *Should this retailer continue to do e-mail marketing?:* A resounding yes. It has an excellent return. *Should this retailer do e-mail marketing **instead** of direct mail?:* Definitely not! That would mean sacrificing a major sales opportunity with a very attractive degree of profitability! The retailer should use both media and certainly not skimp on direct mail, because of its much higher sales generation.

e-mail and telephone marketing, since these media have much higher response rates and ROMIs than direct response media, as measured by the U.S. DMA.²⁷

Internet advertising

This Guide deals with the three principal types of Internet advertising²⁸: display ads (text and banner), search engine marketing (SEM) and advertising on social media. Any of these media can be used for pure advertising or for direct marketing. In the case of direct marketing, there will be a call to action, a response vehicle, and an attempt to obtain the contact data of all respondents. In Figure 23, “Book a Hotel Tonight” is the call to action, and either the button or the ad itself is the response vehicle because clicking on it will take the user to a landing page with instructions on how to choose and book a hotel. When the user books online, the marketer will obtain and keep the user’s contact data to send communications in the future.

Any of these types of ads can and will appear on mobile devices, although the skilled marketer will provide adequate formats of each ad, suitable for the device on which it ultimately appears. This is why this Guide follows the example of major international consultants and researchers like the Winterberry Group in not treating the mobile versions of display, SEM and social media as a different category from the desktop versions. Figures 23 to 25 describe each of the three types.

Expected results of direct communications versus direct response media

In Figure 26, the direct communications media are to the left (telemarketing, direct mail and e-mail) and the direct response media are to the

right (e-mail, search, television and print mass media, display advertising, and social media advertising). The bars graph the average expected conversion rates, meaning the success of the medium used in obtaining the desired reaction of the customer or prospect. In the case of direct communications, this almost always means success in making a sale. In the case of the other media, it refers sometimes to making a sale and sometimes to obtaining contact data from interested prospects (leads) or another action desired by the advertiser, perhaps the filling out of a survey or the signing of a petition.

Two clear conclusions arise from Figure 26: First, prospecting is tough! No matter the medium, it is much harder to sell something to someone you don’t know than it is to sell to an existing customer. Second, whatever the target audience (customers or prospects), telemarketing and direct mail are much more effective sales media. They do, however, require that the marketer have customer or prospect contact data. All companies at some point in time will want to do prospecting to increase their customer and prospect base, so every marketer must learn how to use direct response media effectively.

There is an important statistic missing from these analyses: what is the ROMI of the campaigns? The DMA’s Response Rate Report, mentioned several times in this Guide, indicates that capable marketers can achieve acceptable ROMIs even in the direct response advertising media, despite the low conversion rates. As we have seen in the case of e-mails to prospects in Figure 20 (p. 39), if the cost of obtaining the sales is low enough, the campaign can be successful economically, no matter how minimal the conversion rate. But as long as the ROMI is acceptable, marketers are out to make sales, and direct mail is the champ!



Figure 21

“Expected results” for direct marketing sales campaigns

Telemarketing and direct mail perform best overall (look at all those blue dots!). Direct mail excels, whether it be when contacting existing customers or prospects, in the “% opened” column. This is direct mail’s reach – the percentage of the target audience actually reached by the message – which is one of this medium’s strong points in comparison with all other media. As a consequence, the sales volume is outstanding.

E-mail has a superlative ROMI when selling to house lists, but the low open and conversion rates translate into very little sales volume. Direct marketers would do well to employ all three types of media in search of high sales volumes at acceptable ROMIs when selling to house lists.

It is more difficult – perhaps obviously – to sell to prospect lists, no matter what medium is employed. E-mail does not usually work well for prospecting. Direct mail is best in this segment, although telemarketing can be successful also.

House List	Per person cost	% opened / contacted	Conversion rate	Sales volume	ROMI
Telemarketing	●	●	●	●	●
Direct Mail	◆	●	●	●	●
E-mail	○	○	○	○	●
Prospect List	Per person cost	% opened / contacted	Conversion rate	Sales volume	ROMI
Telemarketing	●	◆	●	●	◆
Direct Mail	◆	●	◆	●	●
E-mail	○	○	○	○	○

Symbols: Very low ○ Medium ◆ High ● Very High ●

Colours: Bad results ■ Acceptable ■ Good results ■

Source: Author's own elaboration.

Figure 22



Direct response magazine advertisement

This is a print ad in a magazine, offering a delivery service for winter heating fuel in the chilly northeast of the United States.

The **call to action** is: "Become a new customer today and receive a \$100 account credit."

The **response vehicle** is the phone number "(207) 743-8992".

Source: www.cdm.com/creative/project/deadriver/deadriver/

Direct response television advertisement

This type of ad is called an "infomercial", a common format for direct response messages on television, or DRTV. Infomercials tend to be long (this one lasts half an hour), and provide extensive product information, demonstrations, and often, customer testimonials.

The **call to action** is "Order now", seen above the phone number in the lower right-hand corner, but also encouraged by the seller in the audio.

There are two **response vehicles**: the "855-FRY TURKEY" phone number and the "5in1 Fryer.com" website.



Source: <https://www.youtube.com/watch?v=sCQf6TW8li8>

Figure 22 (cont.)

Direct response outdoor advertisements

Here we have an outdoor advertisement on a pedestrian sidewalk in Buenos Aires, Argentina.

The advertiser is the Argentinean Multiple Sclerosis Association. The text in the lower right-hand corner says, "Losing your memory is a symptom of multiple sclerosis. Losing your embarrassment to talk about it is a symptom of wanting to get better. Call us."

The **call to action** is the phrase "Call us". The **response vehicle** is quite creative: the little yellow squares are Post-it Notes, each with the Association's phone number printed on it. Interested parties can take a Post-it Note with them to remind them to call.



Another outdoor ad, along a highway in the United States, is selling a voice user interface for mobile phones.

The **call to action** is "Text VLINGO" and the **response vehicle** is the short text number "66746".

Fortunately, the advertiser warns interested parties not to text a response while they are driving!

Direct response in an online display (banner) advertisement



This display ad from South Africa is typical of its genre: the **call to action** ("sign up today FOR FREE") forms part of the button that is itself the **response vehicle**. People who click on the button will land on a page that has a sign-up form. This is a single ad in .gif format; the three screens will appear successively while the reader remains on the web page.

Figure 22 (cont.)

Alternative advertising media

Alternative advertising media can be just about anything: something as standard as handing out flyers on a street corner, or something totally unexpected, like the photo to the left.

What we see here is not a woman, but rather, a sticker placed at the foot of a flight of stairs in a public place.



The white sign alongside says “Know what to do. Learn first aid.” This is the **call to action**. The **response vehicle** is “www.redcross.ca”.



Anything – even fresh eggs – can be used as alternative advertising media. The picture shows one utilized by a personal investment firm.

The **call to action** is implicit: if you are interested in growing your nest egg (meaning your personal savings), log on to the website. The **response vehicle** is the URL “AGEdwards.com/egg”, the website that explains the firm’s services relative to nest eggs.

Figure 23

Online display advertisements

There are two versions: text alone and banners with graphics.²⁹

Typical text ads will look like the one shown below (not to scale). These ads can be placed on regular websites, where they will compete with banner ads that use attractive graphics, and they will thus tend to have fewer responses (clicks). On most search engines, like Google, banner ads are not allowed, so all paid search results will be text ads.

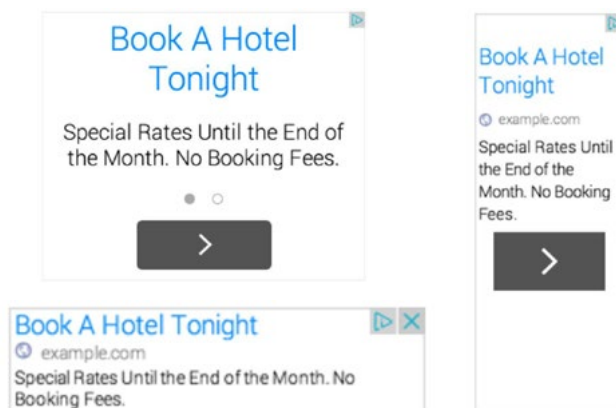
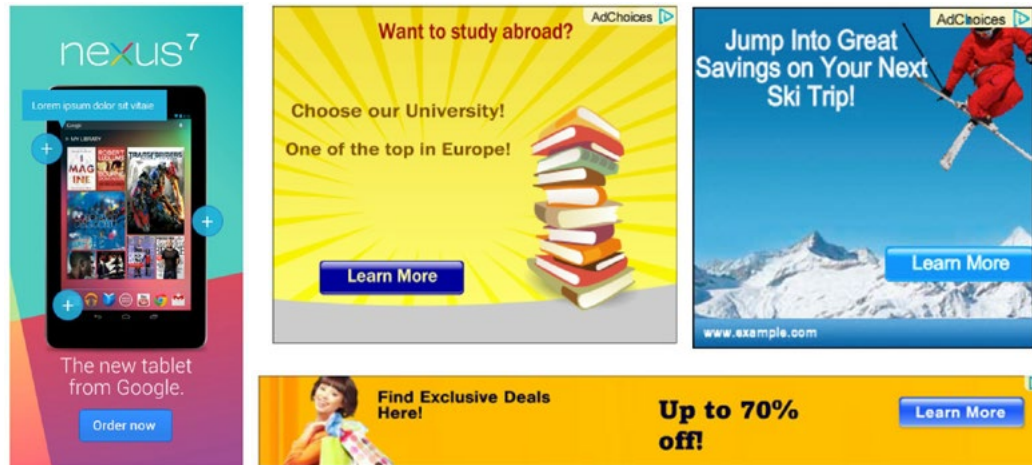


Figure 23 (cont.)

Creativity, however, is the name of the game in banner ads! Such ads can include sound, movement, even videos. They can expand, increasing in size when the user passes the mouse over them, and go away when a close button is clicked. Games can be played on some ads, and forms or surveys filled out on others. Ads can drop spontaneously down from the top of the page or slide up from the bottom. Some pop up and cover the page contents to be sure to get the reader's attention. Others can gradually invade the page as the user attempts to read. Banner ads can take many forms. Examples of the most standard are shown below (not to scale).



These interactive ads can be engaging and entertaining, but they can also be intrusive and annoying depending on the occasion, the user and the context. The marketer would be well advised to consider these factors and, as always, test standard banner formats against the rich media formats that create the special effects before committing a substantial investment.

Placing display ads is becoming increasingly automated

Today, advertisers decide on what web pages and in what positions their display ads will appear. The ad will not necessarily be published when the chosen page is opened by every user, because many websites now offer segmentation possibilities that allow the marketer to segment who sees the ad, targeting by geographical location of the user, time of day and day of the week. Some publishers (like Facebook) can target based on the user's gender, age, demographic or attitudinal profile, etc.

Contextual targeting may be applied: for instance, a cosmetics ad may be run on a general news site – not on the initial page of the site, but rather, on pages that contain content regarding fashion and beauty.

If the techniques of *retargeting*, *remarketing* or *behavioural segmentation* are being used, an ad may be displayed because the user was previously visiting web pages that offer the type of merchandise or services the advertiser is selling.

Furthermore, most display advertising is sold on an auction basis: the spaces go to the highest bidder instantly, in real time. The process of selecting and buying spaces for display ads has become so sophisticated that it is becoming increasingly unviable for buying to be done manually if optimum results are to be ensured. Therefore, the practice of *programmatic marketing* – in which advertisers select **audiences** as opposed to specific media for airing/publishing their ads – is already used by most major online advertisers in the United States and is taking hold around the world.³⁰ *Programmatic buying* of online advertising space is done by sophisticated computer systems programmed to optimize the results of ad placement, taking into account the advertiser's goals.

And this is good news for this medium because it will tend to increase the relevancy of display ads for Internet users and in this way boost the click-through or response rate (CTR). The effectiveness of display ads has been disappointing in recent years, with average CTR, according to some sources,³¹ having gone below 1 per 1,000, meaning that less than one out of every thousand people who see the add click on it. This leads to poor conversion rates, as seen in Figure 26 further on. Better targeting and more efficient buying – of audiences rather than of spaces or “inventory” – will benefit display advertisers in the form of higher ROMIs.

Display to become the leading digital medium

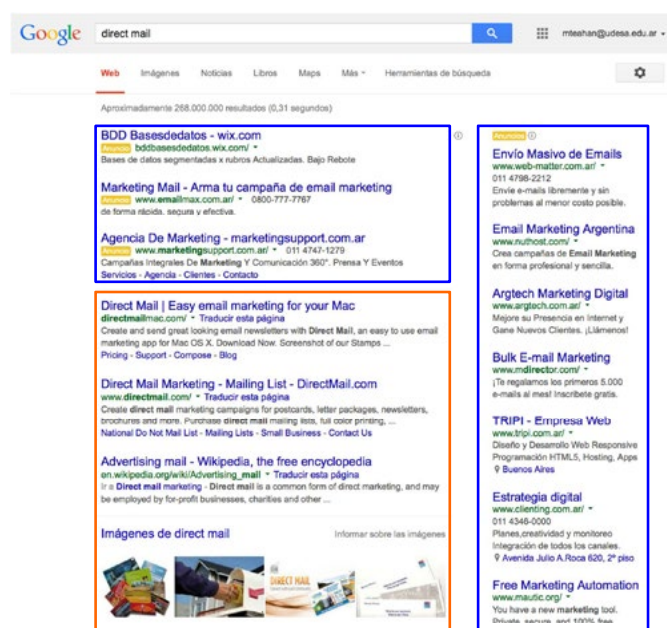
Indeed, Winterberry Group, in the January 2015 edition of its previously cited Outlook reports, projects that marketing spending on display will, in 2015, surpass spending on SEM for the first time ever. Winterberry attributes this to improved targeting options and programmatic buying, both of which increase the ROMI of display-ad campaigns.

Figure 24

Search engine marketing

Search engines are sites that help Internet users find the information they are looking for on the World Wide Web. Some of the best-known search engines are Google, Baidu (Chinese), Bing, Yahoo!, AOL and Ask.

SEM allows marketers to pay to place text advertisements above and beside the so-called natural or organic search results. In the image below, in a search for “direct mail”, the paid SEM results are outlined in blue. The results edged in red are the organic results. Advertisers define the key words (in this case “direct mail”) of the searches for which they want their ads to appear. The ads and their position on the search engine results page (SERP) are sold on an auction basis to the highest bidder.



Although it is not possible to purchase placement among the top mentions in the organic search results, experts do know how to improve a web page’s probability of ranking high. The discipline of

improving page positioning is called search engine optimization (SEO). Savvy companies pay much attention to this, because the top positions are very valuable. SEO is not included in the scope of this Guide.

Through 2014, SEM was the principal digital marketing category in marketing expenditure. And it is by far the best in terms of conversion rate. This is undoubtedly because an SEM ad is inherently in the right place at the right time: by definition it offers the product or service that the Internet user is looking for at that very moment. An important limitation is that the messages will only reach people who are consciously looking for the product or service online using the selected keywords at that time. This restricts the number of prospects that the marketer can reach, and many more prospective buyers may not meet those criteria.

Figure 25

Social media posts as advertising

Paid banner ads can be placed on social media and they work like display advertising, as described in Figure 23 above. It is also possible to post company messages (texts, images, videos) on Twitter, Facebook, Instagram, YouTube, etc., with the intention of promoting the brand image and also the sale of the products and services themselves. Social networks offer interesting segmentation possibilities, such as context and user profiling, sometimes according to attitudinal as well as demographic variables.

Posting on these social networks is free, although there is significant expense involved in creating the posts, managing the community of fans (or detractors!), following comments and interacting with people online – a cost that many companies do not foresee until they get involved in social media marketing.

The biggest challenge to the marketer is how to get people to see these posts, particularly on Facebook, which is by far the most popular social network in the world. Most “fans” of a company’s Facebook page (persons who have placed a “like” on it) do not make regular page visits spontaneously. It used to be that fans would receive all the company’s posts on their respective news feeds³² anyhow, but not anymore.

In recent years, Facebook has had to reduce the number of posts shown on news feeds because members have so many friends who post so much news on the network that it would be physically unworkable to publish everything. So Facebook prioritizes what posts to show based on algorithms that indicate the degree of engagement of the member with whomever is posting. Facebook is not saying, but experts estimate that only 5% to 10% of fans will receive a company’s post on their news feeds. But, if the company pays Facebook, that social network will show the posts to fans and, again for a price, will also place it on the news feeds of non-fans who have similar profiles.

So between the cost of preparing content/posts, executing good community management, and paying to get the posts seen, social networks are not “free” media.

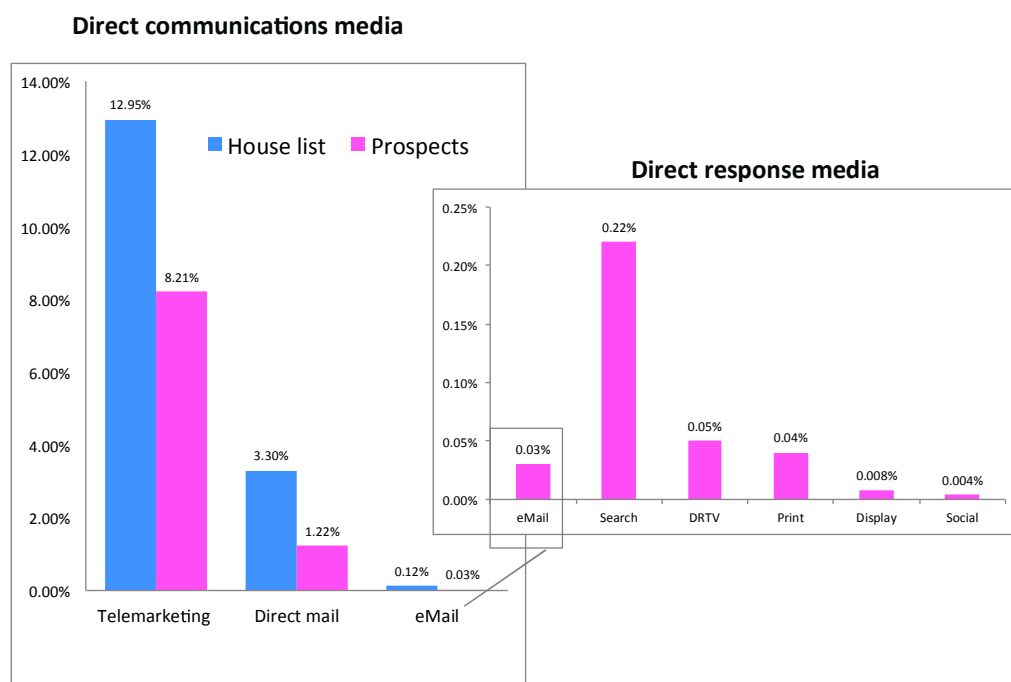
Figure 26

Expected conversion rates in percentage, by type of direct marketing medium

Expected conversion rates on campaigns directed at existing customers (house list) are shown in blue, while the expected results for campaigns aimed at unknown prospects are shown in pink. The reason no blue columns are seen in the right-hand graph is that those media cannot target individuals, only segments at best.

Of particular note is the difference in the scales between the direct communications media on the left and the direct response media on the right. Telemarketing and direct mail have tremendously greater conversion rates compared with the other media.

Lastly, the “expected” conversion rates represent the approximate average results that experienced marketers obtain conventionally from the use of these media. The reader should remember that marketing is more of an art than a science in many ways, and skilled marketers can sometimes innovate in targeting and in the use of media and obtain “unexpectedly” good results, so these figures should be interpreted as simply benchmarks.



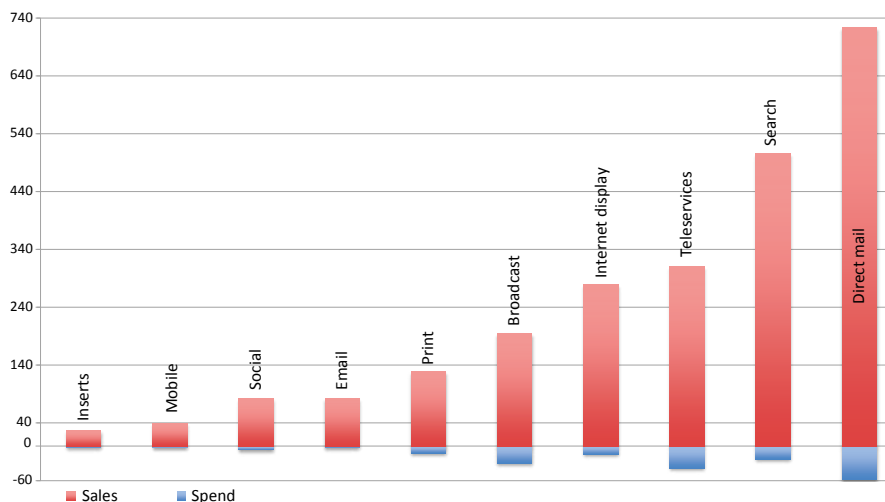
Sources: U.S. DMA Response Rate Report, Brand Republic, Marin Software and author's own experience ³³

Figure 27

Direct mail is the direct and digital marketing medium that produces the most sales in the United States

The graph below is the U.S. DMA's forecast for 2016, showing that, of all the media available for direct and digital marketing, direct mail continues to be the one that sells the most. This confirms on a nationwide basis in a much larger country what the Latin American example in Figure 20 suggests on a smaller scale: owing to its superior reach and conversion rates, direct mail's sales-generation potential is still unbeaten.

US 2016 projected Direct Marketing ad spend vs sales by medium



Source: DMA 2011-2012, Power of Direct Marketing



Direct marketing media

- **Direct marketing** consists of communicating directly with a customer or prospect to generate a response (a purchase, a request for information, a visit to a physical or virtual place of business). Two types of communication are used in direct marketing: direct communications and direct response advertisements.
- **Direct communications** media include addressed direct mail, telemarketing and e-mail marketing, all of which require that the marketer have customer contact data (name, postal or e-mail address, and/or phone number).
- When direct marketers do not have contact data, they will use **direct response advertising** media, which include mass or alternative advertising, unaddressed direct mail, and Internet advertising. The skilled direct marketer will attempt to obtain the contact data of the people who respond to these ads in order to continue interacting with them via direct communications.

- **Digital marketing**, when correctly employed and taking advantage of all its possibilities, is best practised according to the principles of direct marketing: quantifying responses, gathering customer contact data, segmenting audiences, fine-tuning messages according to individuals' interests, and being accountable by measuring ROMI. The ready availability of web analytics facilitates the tasks of gathering and monitoring the data.
- **Direct mail** is a versatile medium with many formats, incomparable "reach" and readership, and good ROMI. It is excellent for selling to house lists as well as for prospecting.
- **Telephone marketing** is a business opportunity for Posts.
- **E-mail** attracts marketers because of its very low cost and fast delivery and response. However, e-mail is best used for communicating with existing customers, as it has proven to be a poor customer acquisition tool.
- **Direct mail** and **telemarketing** are the most powerful of the direct communications media in conversion rates and sales volumes obtainable. E-mail can be highly profitable in terms of ROMI, but the low delivery, open and conversion rates make it a less potent medium for producing sales volume.
- **Unaddressed direct mail** is a solution for achieving many of the advantages of direct mail when no mailing list is available. To become well developed, however, Posts must offer geographic segmentation for targeting recipients, and conduct counts of the number of pieces required to cover each area.
- **Mass and alternative media advertising** are being used as direct response channels when they include calls to action and response vehicles.
- This Guide divides the huge number of **Internet advertising** options into three basic categories: display, search and social media
- **Display advertising** is becoming a more sophisticated marketing tool every day, through better targeting techniques and through programmatic buying that aims to optimize advertising spend. Results are still meagre, but there are signs that they may improve. Consequently, display may attract more advertising spending in the future.
- **Search engine marketing, or SEM**, is the star of Internet advertising media in terms of response/conversion rates. However, it is losing ground in capturing advertising investment as the results from display advertising begin to improve.
- **Social media advertising** provides excellent segmentation and targeting options but has not resulted in good conversion rates to date. Some advertisers think social media advertising is "free", but there are significant costs associated with preparing and posting content, managing the social community, and increasing the number of prospects who see the posts.
- **Prospecting is tough!** It is much easier to obtain sales when marketing to known customers than when seeking new customers as buyers.
- **Direct communications media by far outpace direct response advertising media** in the conversion of contacts into buyers or respondents. But all companies will, at some point in time, need to expand their customer bases, so every marketer must learn to use direct response media effectively.
- **The ROMI of both direct communications and direct response advertising can be acceptable** when the marketing is correctly executed. But to date, nothing has been shown to beat direct mail in pure profitable sales potential.

CHAPTER 2 – HOW DIRECT MARKETING IS EMPLOYED

How companies use direct marketing

Direct marketing is extremely useful for countless business purposes, among them distance selling/e-commerce, lead generation, traffic generation, customer relationship building, customer loyalty programmes, newsletters, coupons and sampling, fundraising, political campaigning, surveys, and the growing area of omni-channel marketing.

For a Post in a developing or least developed country to be successful in promoting direct marketing, it is very important to understand these uses and what types of companies should be adopting them. The rest of this chapter is therefore dedicated to explaining the principal uses in detail.



Distance selling/e-commerce

This traditional use of direct marketing was originally called mail order because products and services were sold at a distance by direct mail. Although historians cite examples of mail order sales going as far back as ancient Egypt, the discipline really took flight in the United States in the second half of the 19th century when companies like Montgomery Ward and Sears Roebuck popularized catalogue sales to rural customers in the American Midwest and Far West. It is worth remembering that, at that time, the United States was itself a developing country. The availability of the products required by the settlers of the American West to carry out their productive activities and care for their families was a major factor in ensuring their welfare and in the development of a growing nation. Without this option, settlers had to depend wholly on local merchants, whose variety of merchandise could be limited and whose prices could be very high. So distance selling both by mail and e-commerce can play a role in national growth and social welfare, which is still quite relevant in many developing and least developed countries.

Today, mail order is still prospering in most of the developed world, and the volume of distance sales is greatly boosted by e-commerce sales on the Internet. Whereas the Internet is a partial substitute for print catalogues and, as such, reduces postal volumes, the delivery of the merchandise ordered online creates a significant market for parcel post. So mail order and online orders both create postal volume.

- **What types of companies engage in distance selling/e-commerce?** Companies of all sizes do distance selling/e-commerce. However, even in the United States, three-quarters of the companies engaged in distance selling/e-commerce are small enterprises that employ five people or less.
- **What do they sell and who buys it?** Just about anything can be sold at a distance, but the principal categories in the United States are health and beauty aids; computer hardware, software and supplies; clothing, jewellery, accessories and footwear; kitchenware and home furnishings; toys, hobby goods and games; sports equipment; pharmaceuticals; audio equipment; automotive supplies; foodstuffs and beverages; office equipment and supplies; and books, music and films. Buyers are both consumers and businesses.
- **Benefits of distance selling/e-commerce for Posts in developing and least developed countries:**
 - Distance selling/e-commerce provides people living in remote areas with an option to purchase goods and services not available locally and/or to obtain lower prices than from local merchants.
 - Distance selling/e-commerce is an important means for small businesses to distribute their goods and services.
 - Increased sales from distance selling/e-commerce benefit the whole economy by creating jobs.
 - Distance selling/e-commerce creates postal volume when a physical catalogue is sent, when a postal response is mailed and when the package is delivered. It also creates demand for such value-added postal services as cash on delivery (COD) and money orders, returns handling (receiving merchandise from the buyer that is to be returned or exchanged), and various logistics services such as warehousing and fulfilment.
- **Outlook:** The global outlook for distance selling via e-commerce is very bright. Today, however, for some higher income segments of the population, the physical catalogue is often replaced by an online e-commerce website, the responses (orders placed by customers) are most often by telephone or online even when a paper catalogue is sent, and payment is frequently made by credit card. Thus, not as many traditional postal

services are used. Still, e tailers (e-commerce merchants) have found that a direct mail catalogue or piece inviting the customer to the website lifts sales enormously. Lower income segments, particularly those who live far from the major urban commercial centres, are still very receptive to paper catalogues. And the parcel business is flourishing. Consequently, this use of direct marketing is expected to be extremely active in the future.

- **Necessary infrastructure:** For distance selling/e-commerce to prosper, both the Post and the sellers have to work very efficiently. Sellers must have sufficient inventory to respond to the volume of orders and must have agile mechanisms for accepting returns and exchanges of merchandise. The Post must ensure quick and reliable parcel-post deliveries and returns and guarantee the value of the merchandise. The Post or other businesses must provide value-added services such as means of payment (credit cards, COD, money order, current accounts), warehousing for the merchandise, fulfilment services like picking and packing, and returns management. So distance selling/e-commerce is very demanding in terms of the necessary infrastructure.
- **Cultural issues:** Experts in some regions, Latin America among them, consider that there is a major cultural barrier to the massive development of distance selling/e-commerce. Consumers are distrustful of sellers in general. Not being able to examine the quality of the merchandise is an obstacle to distance/online buying. Moreover, many consumers suspect that their purchase may not arrive, whether because of unreliable sellers or problems in the delivery process. However, even in these countries, there is a significant segment of consumers who are permeable to distance/online buying, among whom distance selling/e-commerce can and does prosper.



Lead generation

In marketing, a “lead” is a prospective customer (also called a “prospect”) who has expressed an interest in a company’s products or services. Lead generation – sometimes called “lead-gen” – is a marketing activity that identifies leads, who will usually be contacted by the company’s sales force.

- **What types of companies engage in lead generation?** Again, companies of all sizes can practise lead generation, and many small enterprises do so very successfully.
- **What do they sell and who buys it?** Most commonly, these companies are B2B marketers

that sell products and services to other companies. Sometimes lead generation is also used to sell consumer goods and services that have high purchase prices, like automobiles or real estate. In any case, the profits to the marketer generated by the customer relationships acquired through lead generation must be high enough to justify the use of one-to-one personal selling. Lead generation is not an appropriate technique for low-priced, low margin, mass-market products and services.

- **Benefits of lead generation for Posts in developing and least developed countries:** Whereas the return on lead generation marketing campaigns is usually very high for the marketer company, the volume of leads generated is moderate. This is because B2B marketing involves relatively few contacts with high-volume prospects. Sometimes it includes dimensional mailings (parcels) called “door openers”, intended to call the customer’s attention to the message and encourage the customer to receive a sales visit (see example in Figure 10). Nowadays, generating leads online by offering white papers and other “thought leadership” contents is increasingly common.
- **Outlook:** Lead generation will increasingly be used online, in connection with “inbound marketing” (see glossary) content offerings. The “door opener” technique via direct mail will continue to exist and, as always, it will be a low volume parcel item. For those Posts that offer contact centre services, there is a major opportunity for outbound telemarketing campaigns aimed at the targets of lead generation campaigns – the person receives a message by mail or e-mail and is immediately phoned as a follow-up.

Traffic generation to physical premises



Traffic generation is the use of marketing communications to encourage customers to visit points of sale. Marketers use a range of advertising media to generate traffic, including addressed direct mail, e-mail, push notifications via mobile apps, mass and alternative media, unaddressed direct mail and social media.

- **What types of companies engage in traffic generation?** Retailers in general, restaurants and other service establishments.
- **What do they sell and who buys it?** Sellers of all types of consumer goods and services use traffic generation to draw the public to their premises. From the corner pizzeria to

high-end department stores, to casinos, hotels and restaurants, to theatres and amusement parks, to supermarkets, shops and pharmacies, almost any retail or consumer service establishment can use direct marketing to increase traffic.

- **Benefits of traffic generation for Posts in developing and least developed countries:** Because of its widespread usability, traffic generation is a popular type of marketing, so there is a lot of postal volume in play in both unaddressed and addressed direct mail. When unaddressed mail is used, traffic generation represents an opportunity for Posts in countries with less developed address systems. However, informal methods of distribution (for instance, youths who are paid a low wage to deliver traffic generation flyers or catalogues to all the homes in a neighbourhood) frequently compete with the Post for this volume.
- **Outlook:** As the geolocation capabilities of mobile apps become better known to retailers,

direct marketing traffic generation promises to increase substantially. This activity will be mostly digital. There may be some digital substitution for direct mail – mostly for addressed direct mail because notification by mobile means that the customer or prospect must have downloaded the app and must thus be “known” to the sender of the notification.

- **Advice:** It is important to measure the results of traffic generation direct response messages and to identify the ad media that brought the respondents in. Figure 28 shows a good example.

Selling, cross-selling and up-selling

Addressed direct mail, telephone marketing and e-mail can be used to sell services and products that need to be dispensed on site – like restaurants and gyms as opposed to insurance and credit (when a product is sold and shipped, the transaction would be qualified as distance selling/e-commerce). Cross-selling is the sale of

Figure 28

Getting it right in traffic generation

This postcard was an unaddressed direct mail piece, targeting a geographical area near a childcare and learning centre. In order to know who responded to what message, the centre asks the interested party to bring in the postcard. If the centre were using other direct response media, it would ask those respondents to “bring in the print ad” or “tell us you heard it on Radio XYZ” to get the free registration. In this way, the centre can determine which media are most effective. The centre will surely get contact information when the parent arrives, in addition to identifying the medium that brought the parent in.



additional different products and services to someone who is already a customer of the company. Up-selling is getting an existing customer to add features or move up to a more expensive product or service of the same type.

- **What types of companies engage in selling, cross-selling and up selling by direct marketing?** Financial services institutions like banks and credit card and insurance companies frequently use direct marketing for these purposes. Telecommunications companies also do the same. The travel and leisure industry, including gaming establishments (casinos), promote their services by direct marketing. Educational institutions have increasingly taken to direct marketing to offer their programmes. Subscriptions to magazines and periodicals form a special category of sales by direct marketing that has the added advantage of creating additional postal volume when the periodicals are sent to the subscribers.
- **What do they sell and who buys it?** Some of the items frequently offered include bank accounts; credit cards; insurance; telephone, cable television and Internet services; tours; hotel stays; educational programmes; and subscriptions.
- **Benefits of selling, cross-selling and up-selling by direct marketing for Posts in developing and least developed countries:** This is an interesting segment to pursue in search of direct mail volume.
- **Outlook:** This is an activity very much exposed to e-mail substitution for direct mail. Posts would be well advised to study the example from South America detailed in Figure 20, which clearly establishes that the sales volume expected from addressed direct mail is immensely greater than that from e mail, in order to convince direct marketer clients to use direct mail intensively.



Customer relationship building and frequency or loyalty programmes

Relationships are nurtured through regular communications with customers. Many service companies have mileage, frequency and points programmes to encourage customers to be loyal to their brands. From points statements, to customer newsletters and magazines, to birthday greetings and special offers, the customer relationship messages depend on direct marketing communications.

- **What types of companies engage in relationship programmes?** Airlines, supermarkets, service station chains,

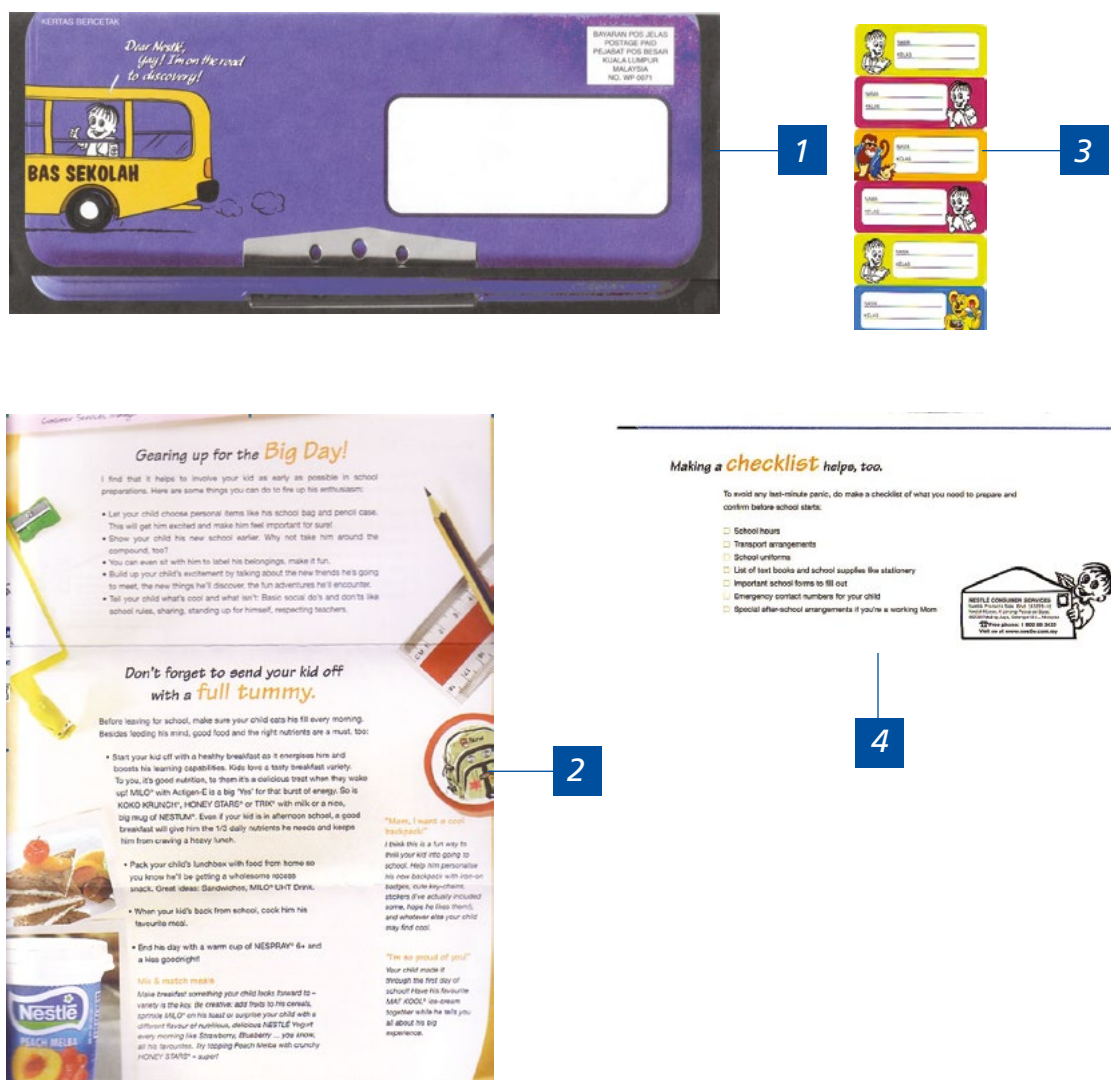
department stores, credit card companies, some banks and other consumer service companies. Some consumer product companies (like Nestlé in Figure 29) also have relationship programmes throughout the world.

- **What do they sell and who buys it?** These programmes are most often used by companies that want to encourage the same customers to buy from them on a continuing basis.
- **Benefits of relationship programmes for Posts in developing and least developed countries:** In most developing and least developed countries, relationship marketing today generates only moderate volumes for the Post. Simple customer newsletters are often included in the same envelope as account statements or are sent by e-mail, thus not generating extra volume. To offer mileage or rewards, marketers must have relatively sophisticated customer relationship marketing (CRM) systems to administer these programmes, so few companies offer them today, but the number is growing.
- **Outlook:** Of late, many companies have been reducing the direct mail content of their relationship programmes, substituting information provided at the point of sale and/or online. E-mail offers a particular advantage for these programmes because, as opposed to unsolicited e-mails from little-known sellers, the relationship messages come from companies well known to and trusted by the customers. However, most programmes continue to use some direct mail stimuli for all their customers and often even include dimensional mail for their most valuable "high-end" customers. In addition, many experts today recommend de-emphasizing the rewards programmes and accentuating the relationship aspect – creating "emotional loyalty" between customer and company/brand – which would tend to increase the direct mail component of these programmes. It is easy to appreciate how the emotional value of the Malaysian mailing in Figure 29 would not have been so great if it had been sent by e-mail. (How would they have engaged the children without the stickers? What would the open rate have been – surely close to 100% for direct mail and nowhere near that for an e-mail.) So relationship programmes should be encouraged in developing and least developed countries as generators of constant flows of direct mail activity.

Figure 29

This is an example of a relationship mailing from Malaysia, where the company Nestlé has for several years run a customer loyalty programme for consumers. From the programme's database, Nestlé extracted a list of 4,416 households with children aged 7 who would start school for the first time. The company sent the item below two weeks before school began, providing relevant topics and advice on school preparation tips, quick meal ideas and nutritional information.

The item is a self-mailer in the form of a child's pencil case. Each mother received a cordial note from Nestlé's Consumer Services Manager about sending her own child to school for the first time. The item also included some fun stickers for the kids and a checklist for the moms. Its purpose was simply to build good will and loyalty among these Nestlé customers.



1. Front
2. Inside
3. Stickers
4. Inside flap, Checklist for mothers.

Traffic generation to web pages and mobile apps

It cannot be stressed enough that **ensuring the flow of visitors is the principal challenge for any website, web page or app**. Some digital marketers succumb to the error of thinking that the important part of their job is to get the company's offering up on an attractive web page or app, with user-friendly steps to facilitate the customer's response. They couldn't be more mistaken! While it is necessary for the digital destination to be efficient in leading interested

customers and prospects to reply, the key factor is getting the potential buyers to visit in the first place.

E-mails, display and search may be used for this, as can mass media and Internet advertisements. But nothing will do it better than direct mail because of its superior reach, conversion rate and response volume, as explained in Figures 20 and 21 on pages 39 and 41. Figure 30 shows four of the latest technological solutions for getting people online through direct mail.

Figure 30

Direct mail meets high tech: solutions for generating traffic to web pages and apps

The personalized URL (PURL). The term URL stands for uniform resource locator, but we know it as a web address such as www.upu.int. Marketers can entice consumers to visit their web pages by sending a direct mail piece with a special offer. The example below features a restaurant in a residential area that is offering a free pizza to a new resident who just moved into the neighbourhood. This offer is obviously not for everyone, so the neighbour is given his own personal URL, or PURL (pizzapurl.com/joe.smith in this example). When he logs on, he encounters a personalized page ("Hi, Joe!") welcoming him to the neighbourhood and encouraging him to type in his e-mail address to receive a coupon for the free pizza.

The pizza parlour could simply send the postcard to Joe and tell him to bring it in for his free pizza (as the childcare centre did in Figure 28), but that is not the marketer's chief objective. The marketer wants to get Joe's e-mail address in order to send him more messages in the future and to accustom Joe to using the website – perhaps so that Joe will order online the next time.

PURLs can only be sent by direct mail or by e-mail because they are, by definition, personal and require direct communication.

The figure illustrates a marketing strategy for Tarrantino's Pizzeria using a personalized URL (PURL). It consists of three main components:

- Postcard:** A red postcard with the Tarrantino's Pizzeria logo. It says "Hi Joe, Welcome to the Neighborhood!" and "Get Your Free Medium Pizza visit pizzapurl.com/Joe.Smith".
- Browser Window:** A screenshot of a web browser showing the address bar with the PURL: www.pizzapurl.com/joe.smith. Above the browser, there are icons for email (44888 unread) and a mail icon labeled "Recibidos".
- Landing page:** A web page titled "Hi Joe, Welcome to the Neighborhood!". It features a large image of a pizza and a form to enter an email address to receive a "Free Medium Pizza". The form has a "Continue" button. Below the form, there is a small text block with a disclaimer: "All my names in Joe and for the owner of Tarrantino's Pizzeria right here in your new neighborhood. As a little way of saying welcome, I'd like to offer you a free medium pizza. Just enter your email in the box to the right, and I'll email you a coupon right away." and "Hope to see you soon!".

Source: <http://purlem.com/blog/>

Figure 30 (cont.)

Quick response (QR) codes. QR codes are two-dimensional barcodes that function through a mobile application. There are many different versions (most are free) available to be downloaded to smartphones, and they have many uses. Here we are interested in how they can help drive traffic to websites. It used to be that direct mail recipients had to type the URL of the promoted site into a browser, and quite often people would not be sitting at their computers when opening mail. Later they would forget to go online to visit the site advertised in the direct mail piece or would forget what URL to type. With QR codes, the reader can immediately visit the web page by smartphone.

In the example below, a new restaurant is holding its grand opening and is offering a free sandwich with every purchase of chicken wings. On the front of the postcard (top photo), there is a QR code at the bottom left that the recipient can scan to get the corresponding coupon. On the back of the postcard (bottom right), there is another QR code that will pull up driving instructions from the recipient's home address to the new restaurant.

QR codes can be personalized, leading to PURLs or, as in this case, individualized information like driving instructions. As a result, they are only suitable for direct mail (and e-mail, but usually just a hyperlink would be a better choice for that medium). They can also lead to general URLs, in which case these codes can be used in print advertisements, outdoors, on posters at point of purchase, and in other mass and alternative media.



Source: www.business2community.com

Near field communication (NFC). Enthusiasts of NFC believe that it could, in time, replace the use of QR codes. This technology establishes a radio connection between a smartphone and an NFC chip embedded in a direct mail piece (recently, special NFC-enabled paper has been developed that eliminates the need to embed a chip, facilitating the use of this technology in direct mail and print). Bringing a



Source: Big Dawgs www.youtube.com/watch?v=nJLTr6CEJh8



Source: nfc-maniac.blogspot.com.ar

Figure 30 (cont.)

phone with an NFC app near the chip brings up the web page directly on the phone screen, without the intermediate steps required when a QR code is scanned. Alternatively, the chip can automatically dial the phone number of the marketer, as in the pizza delivery service example from Japan, above on the right. In that example, a postcard was sent with the NFC chip on a removable sticker. The consumer could remove the sticker and place it on a surface next to the chair where he or she watches TV. Touching the sticker with a smartphone will call the delivery service, without the consumer even having to get up!

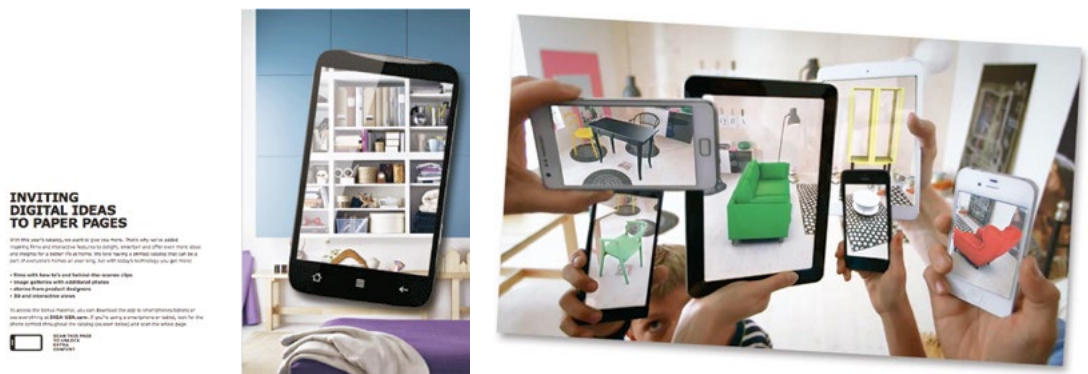
To make it clear that these technologies are not just for restaurants (!), the example above on the left is a direct mail brochure sent by a casino. The NFC chip in the blue circle triggers a video on the user's smartphone, explaining a new game.

Augmented reality. This technology transforms print into a live 3D video experience, overlaying digital images onto the actual physical reality. In the first example below, Monarch Airlines mailed a multi-fold brochure to avid skiers, urging them to get out their smartphones and enjoy an augmented reality experience, visiting the newest ski slopes that the airline now serves with regular flights. The 3D feature can be appreciated in the photo.



Source: www.augmentedrealitytrends.com/augmented-reality/monarch-airlines-ar-campaign-wins-dma-gold-award.html

For the last two years, the multinational furniture retailer IKEA has included augmented reality in its annual product catalogue. Note the smartphone icon in the spread on the left below, signalling to readers the pages that allow them to enrich their experience. Not only does the technology bring the print pages to life, but it also permits the customers to superimpose products on their own living spaces to see how they will look, as shown in the picture on the right, below.



Sources: www.freshnessmag.com/2012/07/19/ikea-a-new-kind-of-catalog-video and www.gizmag.com/ikea-augmented-reality-catalog-app/28703

Evidence that direct mail really does drive traffic online is given in Figure 31, which shows graphs presented by Royal Mail in 2014.

- **What types of companies engage in traffic generation to web pages?** Any web page owner wishing to have more visitors.
- **What do they sell and who buys it?** They may be e-commerce sites with online catalogues, news sites, portals, brand fan pages, restaurant delivery pages – in short, any type of website that needs to generate traffic.
- **Benefits of generating traffic to websites for Posts in developing and least developed countries:** Websites use many media to drive traffic. First, the site owners will use online media like banners and e-mails because of their lower cost and ability to include a hyperlink to the web page the owner wants visited. Increasingly, however, those media are not generating enough

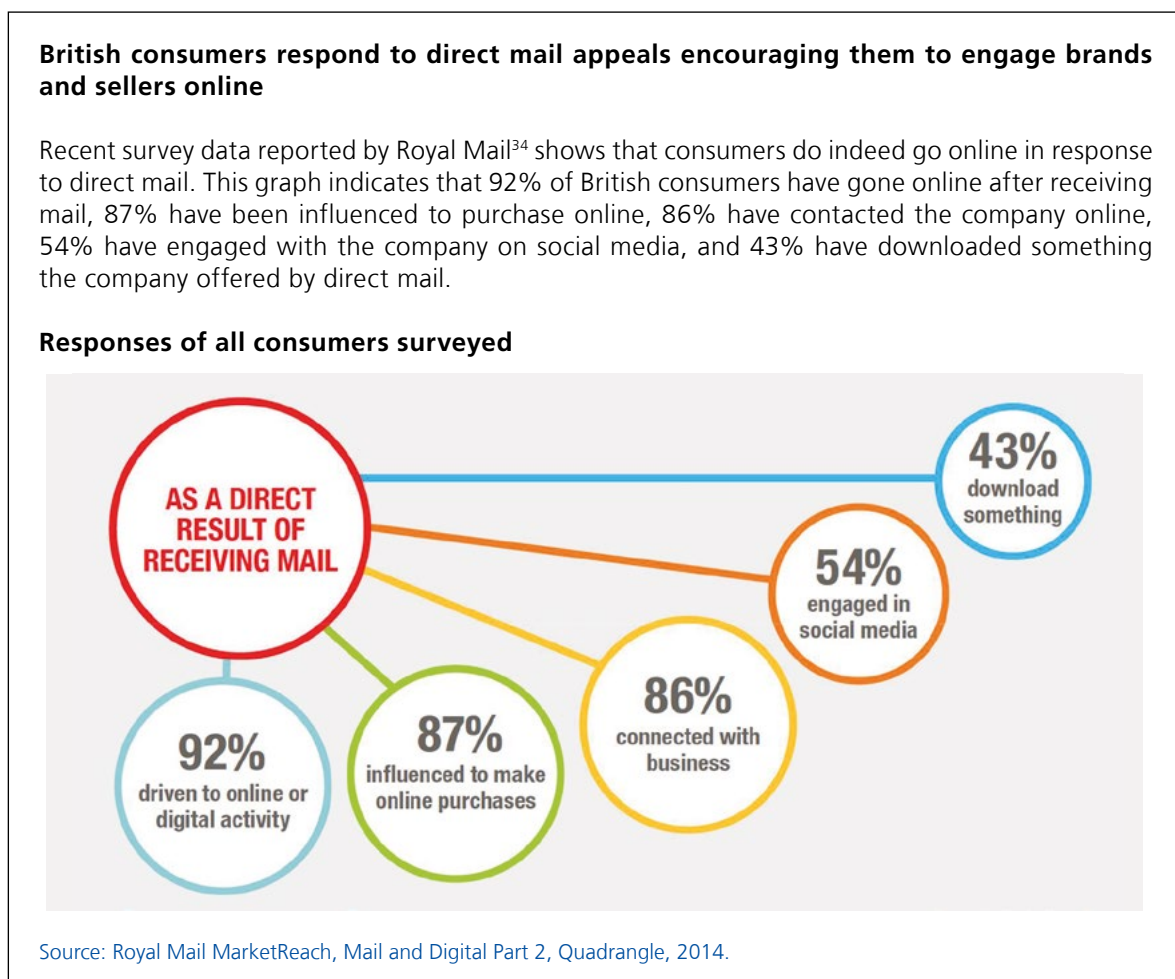
traffic, and direct mail is being utilized because of its greater reach and impact. The impact of direct mail is further enhanced by the types of technology shown in Figure 30.

- **Outlook:** There is a major opportunity for Posts to sell direct mail, as digital marketing continues to grow throughout the world and the problem of how to get people to visit web pages becomes ever more acute.

Coupons and sampling

Coupons offering discounts on the price of products and services or other promotional benefits are often employed in marketing. Coupons can be distributed by any of the direct and digital marketing communications media, except perhaps conventional telemarketing. Free samples of products can also be distributed for promotional purposes, and they can basically be sent only by direct mail³⁵. Some examples are shown in Figures 32 and 33.

Figure 31



- **What types of companies use coupons and sampling?** Principally, it is consumer goods marketers that send coupons and samples. Note that local service establishments like restaurants, beauty salons and retailers also often use coupons to generate traffic to their premises, and this postal volume is included in traffic generation, as seen above.
- **What do they sell and who buys it?** Any number of products available in supermarkets, pharmacies and other retail establishments can be promoted to consumers and small business customers by couponing and sampling. Coupons usually offer a price incentive for people to come and buy the product or service, and sampling consists of sending a free sample of the merchandise. In both cases, the objective is to get consumers to try the product or service, in the hope that they will like it and become regular customers.
- **Benefits of coupons and sampling for Posts in developing and least developed countries:** Like traffic generation, couponing and sampling can often be done by unaddressed mail, representing an opportunity for Posts in countries with less developed address systems. One drawback is that couponing on a mass-market scale requires a special infrastructure to redeem the coupons received by the retail establishments, and this might not be available in many developing and least developed countries. Sampling requires a certain degree of security, so that the samples actually arrive at potential customers' homes and are not redirected into secondary markets.
- **Outlook:** Owing to these restrictions, the potential volume of direct mail from coupons and sampling in these countries is moderate. However, Correios, the Brazilian Post, is quite enthusiastic about what it has been able to achieve in promoting sampling in that country.

Figure 32

Coupons. Two means of couponing are shown below. The first is a typical coupon, this one promoting traffic to a drugstore. Note that nowadays, most coupons have barcodes to prevent fraud (the store does not want to give everybody 10 dollars off, just the people who were targeted with the coupon).

The second image shows a type of cooperative couponing in which various product and service marketers share the envelope and postage cost of sending their coupons by direct mail to prospects of interest to all. In the case below, the company that organized the mailing is a private direct marketing agency. In several countries, the Post itself organizes this type of mailing.

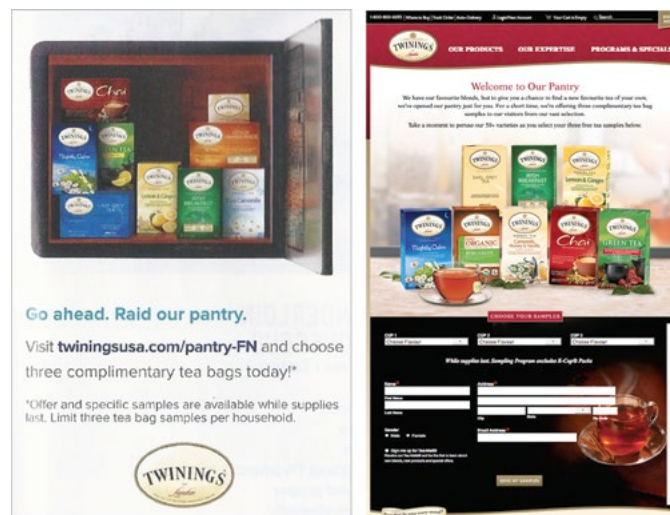


Figure 33

Sampling. Both samples pictured below were sent as unaddressed mail by Correios, the Brazilian Post, for a consumer goods brand. To the left is a small box containing two bouillon cubes, attached to a postcard by shrink wrap. To the right is a Tetra Pak of tomato sauce, delivered in a bag that can be hung from a doorknob. These samples were not requested by the consumers, but sent to people in selected neighbourhoods in several states. Correios helped the brand target consumers by socio-economic level.



The example below shows how two other direct and digital marketing communications media can be combined in a sampling campaign to send samples by direct mail. To the left is a small advertisement in a women's magazine offering free samples of three flavours of gourmet teas. A URL is provided as a response vehicle. To the right is the landing page; consumers select their three teas and leave their contact data, including an e-mail address for future direct communications. The samples are then sent by direct mail (not shown).



Fundraising and political campaigning

The not-for-profit sector also uses direct marketing.

- **What types of organizations engage in fundraising and political campaigning?** Charities, other non-governmental organizations (NGOs), and political parties engage

in fundraising, which is the soliciting of money to support the organization's activities. Politicians often use direct marketing to communicate with their constituents and to raise votes.

- **What do they offer and to whom?** These campaigns are usually directed at the general public. The senders may request donations,

Figure 34

Political campaigning by direct marketing

In every election in Brazil since 2008, Correios, the official postal operator, has promoted the use of direct mail by candidates of all levels in all jurisdictions – from city councillor upwards – by creating a hotspot on the Web called “The Candidate’s Space”.



On this minisite, Correios walks the candidate through the basic steps to implementing a direct mail marketing campaign:

1. Planning the campaign
2. Approaching the voters
3. Dialogue and interaction with the voters
4. Postal products and solutions
5. Support tools

Correios reminds the candidates that communicating by mail is unbeatable for winning votes because:

- It’s respectful: people read it when it is convenient for them; it doesn’t invade the voter’s privacy.
- It’s complementary: candidates can provide all the details of their proposals, which, in their radio and TV ads, have to be presented in a very short time.
- It’s emotional: the people who receive the candidate’s addressed mailings feel that they were specially singled out.

volunteers, signatures on petitions, votes, or support for a cause, or may put out messages typical of the non-profit and political sectors.

- **Benefits of fundraising and political campaigning for Posts in developing and least developed countries:** Fundraising activities by organizations in the non-profit

sector are growing in developing and least developed countries. This sector tends to be an intensive user of direct marketing, particularly e-mail. Figure 35 showcases an example from Saudi Arabia. Politics is present everywhere, and Figure 34 explains how one Post in a developing country promotes political direct mail.

Figure 35

Saudi Post offers Khairy Services to the non-profit sector

Khairy Services is aimed at charitable organizations in Saudi Arabia, offering end-to-end direct mail campaign services starting from the printing of complete marketing materials, such as letters, leaflets and envelopes, continuing on to addressing the items and ending with distribution at a convenient bulk postal rate. The Post is targeting all non-profit organizations, encouraging them to communicate their fundraising campaigns to a target of AB socio-economic segments to request donations. The service has been very successful in raising money for charitable purposes: in 2012, it grew 24% in postal volume; in 2013, it increased by another 32%; and in 2014, the Post achieved a dramatic 68% rise in volume. The Saudi Post's goal is to continue growing postal volume in the non-profit sector in 2015. The photos below are examples of two typical mailings.



Surveys

Nowadays, most surveys are done through direct and digital marketing channels. Surveys that are self-administered can be completed online or by direct mail. Surveys that are not self-administered are often done by outbound telemarketing.

- **What types of organizations conduct surveys?** Market and opinion researchers carry out most surveys.
- **What do they offer and to whom?** The surveys are often done for the corporate clients of the research firms. Sometimes they are done for government agencies or political parties, or for the researchers' own public relations communications.
- **Benefits of surveys for Posts in developing and least developed countries:** When surveys are done by direct mail, the Post distributes the forms to the

sample of persons being surveyed and then handles the postage paid response when the respondents return the completed questionnaires to the researcher.

- **Outlook:** In recent years, telephone and online research have become more popular than mail surveys. So this area is only a modest area for developing postal volume, although Posts that offer contact centre services can profitably administer the phone surveys and should seek that business.

The box on the next two pages summarizes the uses of direct marketing and their market potential in most developing and least developed countries. There are, of course, other uses of direct marketing, but those described in this section are by far the principal areas.



Types of activities that use direct marketing	Principal types of postal services used	Attractive-ness to Posts in developing and least developed countries	Comments	Summary
Distance selling/e-commerce	<ul style="list-style-type: none"> • Distance sales catalogues • Mailings, letter and flat mail • Response paid services • Parcel post • Warehousing, finishing • Payment services (money order and COD) • E-mail • Contact centre services • Mobile app push notifications 	Medium	<p>This is a big business in certain developed countries. However, the volume of distance selling/e-commerce is smaller in most developing countries. There are cultural barriers which inhibit consumer acceptance. Doing distance selling/e-commerce right requires considerable infrastructure within the Post and other suppliers. Nevertheless, distance selling /e-commerce requires value-added postal services that can become interesting sources of revenue to the Post. Moreover, in the least developed parts of the world, it can be a way for big city retailers to get the latest products to the population in distant areas at an attractive cost to the consumer.</p>	
Lead generation	<ul style="list-style-type: none"> • Mailings, letter and flat mail • Dimensional mail • E-mail • SEM • Contact centre services 	Medium	<p>This is mostly B2B mail and, as such, has moderate volume possibilities for Posts. On the consumer side, in recent years, the automobile and real estate sectors have increasingly used direct mail to relate to prospective buyers.</p>	
Traffic generation to physical premises	<ul style="list-style-type: none"> • Retailers' catalogues and flyers • Mailings, letter mail • Often unaddressed mail • E-mail • Mobile app push notifications 	High	<p>This is a high-volume segment because of its usefulness to retail trade and consumer services. Since it often adapts well to unaddressed mail, Posts with less sophisticated address systems can still develop this segment. However, this sector is highly exposed to competition from private delivery services.</p>	
Traffic generation to web pages and mobile apps	<ul style="list-style-type: none"> • Catalogues, flyers and other mailings, with or without PURLs, QR codes, NFC or AR • E-mail • SEM 	High	<p>This is a fast-growing use of direct mail, since the principal challenge to online marketers is to generate a constant flow of visitors to their web pages. Typically, the recipient is directed to a general web page, but increasingly, PURLs and QR codes that can be personalized are being used. Interest in NFC is growing and the potential uses of augmented reality to bring print to life are extremely promising.</p>	

Selling, cross-selling and up-selling	<ul style="list-style-type: none"> • Mailings, letter mail • E-mail, telemarketing • When subscriptions are sold, postal volume in distribution of printed matter increases 	Medium	Financial services institutions like banks and credit card and insurance companies often send mailings for cross-selling and up-selling purposes. Telephone companies, travel and leisure service companies, retailers, and publishers also use direct marketing for these purposes. In the past, there has been considerable erosion of direct mail and telemarketing volumes owing to digital substitution. But now experienced marketers are learning that e-mail just does not have the same results in sales volume, and they are returning to direct mail and telemarketing for a substantial part of these activities.
Customer relationship building and frequency or loyalty programmes	<ul style="list-style-type: none"> • Points statements for frequency and loyalty programmes • Mailings, letter mail • Sometimes dimensional mail • E-mail • Contact centre services 	Medium to low	Because they often require regular statements, these programmes used to create significant postal volume, but marketers have learned that e-mail is quite sufficient for such routine communications. However, special mailings and even dimensional mailings are occasionally required, especially for high-end customers, because of their greater emotional impact. That use continues to represent an attractive niche for Posts.
Coupons and sampling	<ul style="list-style-type: none"> • Often unaddressed mail • Samples are sometimes letter mail but often small packages • E-mail • Mobile app push notifications 	Medium	Mass marketers of consumer goods are the biggest users of coupons and sampling, although there are others. An obstacle to the development of this activity in many developing and least developed countries may be the unavailability of coupon clearing systems that compensate retailers for the discounts they grant consumers – an indispensable aspect of infrastructure for couponing on a mass market scale. Individual stores or service establishments can use it successfully, however, without any sophisticated infrastructure.
Fundraising and political campaigning	<ul style="list-style-type: none"> • Mostly mailings, letter mail • Unaddressed mail • E-mail, telemarketing 	Medium	Charities and political parties solicit monetary donations. Politicians send constituents campaign messages.
Surveys	<ul style="list-style-type: none"> • Mailings, letter mail • Contact centre services 	Low	Market and opinion researchers. There are possibilities in phone surveys for Posts that operate contact centres.

Best industries for finding new direct marketing clients for the Post

On the basis of the above uses, this Guide provides a detailed prospecting matrix to help Posts in developing and least developed countries find the best potential direct marketers in their markets. This matrix can be found in Figure 57 on pp. 123-128, Chapter 7.

In defence of direct mail: benefits for marketers

While Posts are encouraged to develop direct and digital marketing in general, there is no doubt that today their flagship product is direct mail. This product is well established in industrialized countries, where it continues to represent an important percentage of companies' overall marketing expenditure and Posts' income. Developing and least developed countries still have a considerable amount of catching up to do. With direct mail having suffered from – probably excessive – digital substitution, this section of the Guide will come to the defence of direct mail in comparison with other advertising media. To get postal customers in the target industries to use or increase their use of direct mail, it is important to explain to them its benefits in comparison with other advertising media.

Direct mail is cost-effective

Without a doubt, the cost per mille (CPM) and

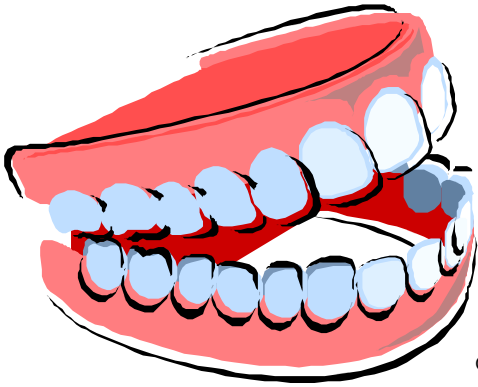
the cost per contact of direct mail are higher than that of traditional advertising. This is one of the principal points of resistance to direct mail by many marketers who are very accustomed to using mass market advertising. However, these marketers are not taking into account the number of useless contacts they make with their advertisements.

When using mass media, the advertiser inevitably reaches many people who are not in its target audience, as explained in Figure 36.

Most marketers can "target" much better by direct mail than by media advertising. "Targeting" means choosing the groups of persons most likely to demand the product or service offered and reaching them with as little wastage (paying for contacts that are not within the target segment) as possible. Even in countries where well-targeted lists are scarce, as is common in developing and least developed countries, those marketers whose key targets are definable by geographical location (for instance, retailers and consumer service establishments that want to drive traffic to their premises, or suppliers of high-end merchandise that want to reach only the well-off neighbourhoods) can achieve enormous cost benefits by employing targeted direct mail rather than media advertising. In these cases, direct mail is much more cost-effective.

Moreover, many service industry companies are sitting on top of a gold mine that they are not developing: their customer list. Today's marketer is often best trained in mass marketing and will

Figure 36



False teeth uncover a false premise

The renowned American expert in direct marketing, Stan Rapp, on a visit to Latin America a few years ago, told an audience of marketers how indignant he would always become when he saw a brand of adhesive for false teeth being advertised on network television. According to Stan, the number of people who use dentures is small. Medical research suggests that by 2003, only 1% of older adults in developed countries were losing all their natural teeth.³⁶ So the percentage of denture users in the overall population would be less very small. Even with more adults than children viewing a programme, purchasing network TV ads for this product would signify paying for ads reaching more than 90% of non-users of the product. Thus, the actual CPM of this advertising, if only useful contacts were taken into account, would be more than 10 times as much as the apparent CPM including the non-target contacts.

tend to look for the next sale in new customers, ignoring or not exploiting to the maximum the sales potential within his or her own customer database. Again, why use mass media before making the most of the sales potential in the company's own customer (house) list? Direct mail is much more cost-effective in selling to the company's own customer base.

The tables and graphs in Figures 20 and 26 (on pages 39 and 48, respectively) confirm these facts.

Direct mail reaches people

When using mass advertising media, it is clear that the advertiser will not reach 100% of the people in the target audience. There is always someone who wasn't watching the game on TV or who flipped through the newspaper and ignored the ad. When using e-mail, many messages will be filtered out by the mailbox

service provider or the webmaster before hitting the contact's inbox, and the contact may very well delete the message without opening it, as reflected in the average open rate of 22% for house lists and 11% for prospect lists cited on page 33.

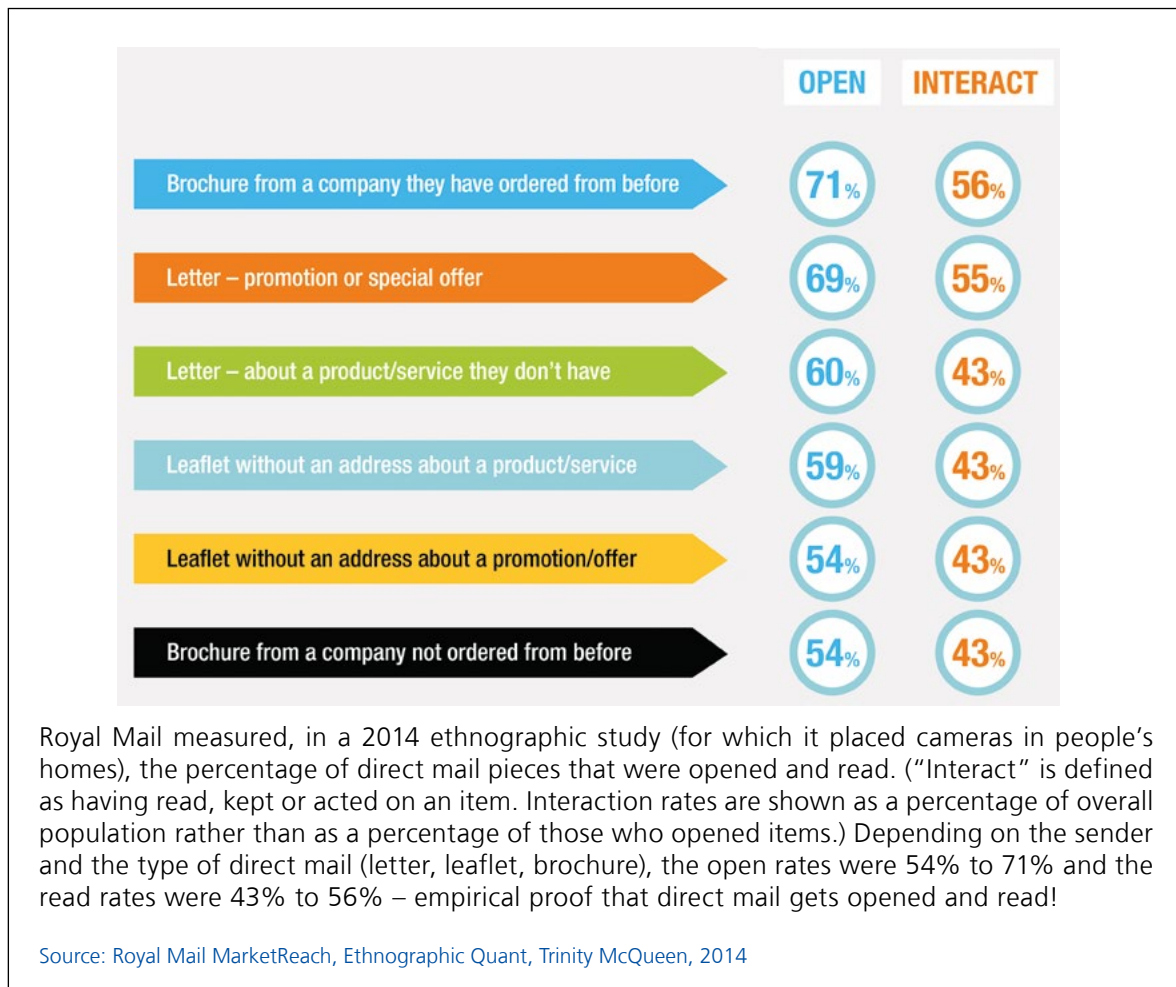
But we have already seen that direct mail will reach every home on the list and, as explained in the following points, it gets read.

Direct mail gets the customer's attention

Direct mail gets read. The emotion of receiving something in your hands to touch, open and appreciate – perhaps even smell and taste – is very different from hearing or seeing an ad in mass media. If it is a dimensional mailing, the emotion is much greater still.

According to the USPS, 80% of consumers read or at least scan their direct mail.³⁷ In Belgium,

Figure 37



according to the 2014 Letterbox Survey, 87% of direct mail gets opened and read or scanned, and this figure increases to 89% among the so-called digital consumers who frequently shop online!³⁸

As we have seen, between 78% and 89% of e-mails do not even get opened. Evidently, commercial direct mail is better accepted by consumers than e-mail.

Royal Mail in Great Britain claims that consumers will spend as much as 10 minutes reading a direct mail piece.³⁹ So the quality of attention to a direct mail communication is far superior to that of a mass media or Internet advertisement. How much would it cost to get 10 minutes of the prospect's attention on network television or even cable television? Obviously much more than the cost of the mailing.

You can include much more detailed information in your direct mailings than in your mass media advertisements and e-mails, and you can expect potential customers to read and absorb the details. Figure 37, on previous page, shows the results of a 2014 ethnographic study in the UK⁴⁰ that proves that direct mail gets opened and read.

Direct mail is scalable

No matter the size of the business, the marketer can use direct mail. Some SMEs cannot afford to buy advertisements in mass media. But they can run direct mail campaigns within their budgets. Moreover, some large companies may have niche businesses for which media campaigns cannot be cost-justified. The scalability of direct mail can be a solution for them too.

One of the major advantages of direct mail is that the advertiser can contact some of its customers or prospects immediately with the money available for marketing, and can contact the rest of the customers or prospects in the future, as further marketing funds become available. Traditional advertising usually has a "critical mass": you need to make a minimum investment – which is usually a big number – and you contact all your potential customers (but only in theory – in practice, not all the potential customers will see the ads).

Direct mail allows you to invest in comfortable "doses", contacting as many customers or prospects as available resources allow.



Direct mail is targetable and personal

Targeting and personalization increase the ROMI, or profitability, of marketing campaigns. People are more responsive when the offer is relevant to them. The more targeted and personalized the message, the more responsive the recipient.

Direct mail allows marketers to make different propositions to different customers (for example, the self-mailer from the bank in Argentina, in Figure 12, which included the amount of the loan offered to the specific recipient).

Customers prefer direct mail

According to surveys carried out in several countries,⁴¹ consumers prefer direct mail to other means of commercial communication. The degree of preference depends on the product category but, interestingly enough, it would appear that youth and degree of digital savvy do not steer consumers towards a preference for e-mail, because the younger generations and the biggest digital users coincide in these surveys in their preference for direct mail.

Direct mail is less intrusive in the private life of the consumer. Consumers can read it whenever and wherever they prefer. Unsolicited e-mail is considered to be extremely intrusive by consumers facing a constant barrage of spam.

The printed word is also more trustworthy according to these studies, and trust is a major factor in distance selling/e-commerce, as discussed earlier in this Guide.

Direct mail is measurable

One of the principal advantages of direct marketing over general media advertising (as opposed to direct response media advertising) is that the results of direct marketing are much more measurable. Direct mail, of course, is no exception. In today's competitive business world, where all managers are held accountable for the "bottom line" of their activities, this is no minor advantage. In direct marketing and direct mail, we can measure the number of sales and their profitability and compare it to the cost of the marketing campaign to measure the ROMI. This is almost never possible with general brand-building mass media advertising campaigns.

The following table lists and summarizes the benefits of direct mail to advertisers.



Benefits of direct mail	Summary description	Summary
Direct mail is cost-effective	Compared to advertising in mass media, direct mail is much more cost-effective because it can be targeted to reach only those types of customers who would be interested in buying the product or service offered. Mass media reach a much broader spectrum of consumers and, inevitably, the advertiser ends up paying to communicate to many people who are not in the target group for the product or service offered.	
Direct mail reaches people	Direct mail does a much better job of reaching all the contacts than advertising or e-mail.	
Direct mail gets the customer's attention	Direct mail gets read. The innumerable formats of direct mail allow for practically unlimited creative solutions. Direct mail touches the heart as well as the mind.	
Direct mail is scalable (it can be used no matter the business size)	Direct mail allows you to invest in comfortable "doses", contacting as many customers or prospects as your resources will allow.	
Direct mail is targetable and personal	Relevance is key in today's marketing. Direct mail allows the marketer to address customers individually and make targeted offers.	
Customers prefer direct mail	Direct mail is less intrusive than other means of direct communication like telemarketing and e-mail. Customers have expressed a clear preference for direct mail communications.	
Direct mail is measurable	In contrast with traditional mass advertising, the ROMI of direct mail is clearly measurable.	

CHAPTER 3 – INTEGRATED AND CROSS-CHANNEL MARKETING COMMUNICATIONS

Integrated marketing communications

It used to be that marketing communications – like so many other business functions – were divided into “silos”, where each manager did as he or she saw fit, without consulting or

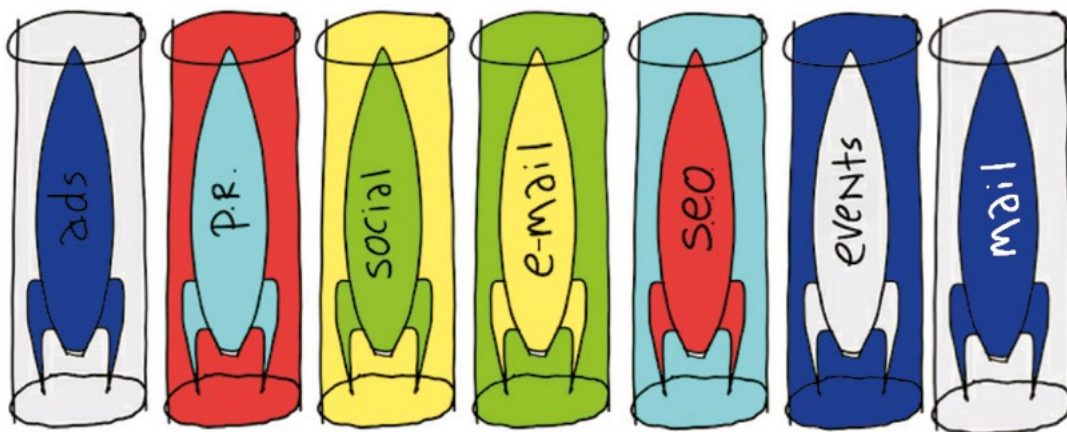
coordinating with the managers in other silos. This manner of communicating is dysfunctional, wasteful and confusing for consumers, as signalled by Don E. Schultz and his fellow professors at Northwestern University’s Kellogg School of Management in Chicago as early as 1989.⁴² Figure 38 describes this problem.

Figure 38

“Death by silos” is the title given to this drawing by the authors, who abandoned the grain silo metaphor and went straight to missile silos, underscoring what they opine is a deadly practice! The image depicts how marketing communications used to be divided among distinct departments of a company, whose managers did not consult one another or coordinate their communications. This meant that different brand images were conveyed, advertising and communications budgets were not synergized, and no brand had a single voice when addressing its target market.

Professor Don Schultz and his colleagues pointed out this wasteful and dangerous dysfunction in 1989, when they urged businesses to align their messages. The resulting **best practice** is called integrated marketing communications. It consists of emitting consistent branding across all advertising and communications media (traditional and non-traditional, direct and non-direct), and articulating different promotional methods that reinforce one another.

(Unfortunately, given that the authors of the drawing published it recently, even in their home country of the United States, the problem of non-alignment apparently still exists, at least in some companies.)



Source: Gini Dietrich and Geoff Livingston, marketingintheround.com, and author's own elaboration.

Unfortunately, even today, so many years later, not all companies have understood and adopted integrated marketing communications (IMC). So it is quite probable that Posts in developing and least developed countries will encounter business customers who do not understand IMC.

But no matter! If the Post understands the concept of IMC and its corollary – cross channel marketing – it will be able to proactively offer its services, no matter what individual marketing communications tactic the client is thinking of using.

Cross-channel marketing

The practice of cross-channel marketing is consistent with IMC. It entails articulating two or more marketing communications channels or media – each with its own job to do – within a single coherent campaign, in search of the best results (preferably a good ROMI). The media can be any among the marketer's options, but this Guide is most interested in promoting that, through cross-channel marketing, the direct mail, telemarketing or other direct marketing media offered by Posts be combined with other channels/media to produce superior results. IPC has produced a very useful direct mail guide⁴³ for Posts. It includes suggestions and case studies

on combining direct mail with other media that readers should download and study.

Figure 39 shows a series of marketing communications options, within an IMC context, that a company could choose to implement. And, to the right of each medium chosen by the marketer, the figure displays what cross-channel sales strategy the Post's representative could put in place if the customer says, for instance, "No, we are just going to use..., not direct mail".

The suggested responses are just examples. The sales representative who understands IMC and cross-channel marketing will surely know what options to offer, and in so doing will convert lots of nos into yeses!

Figure 39

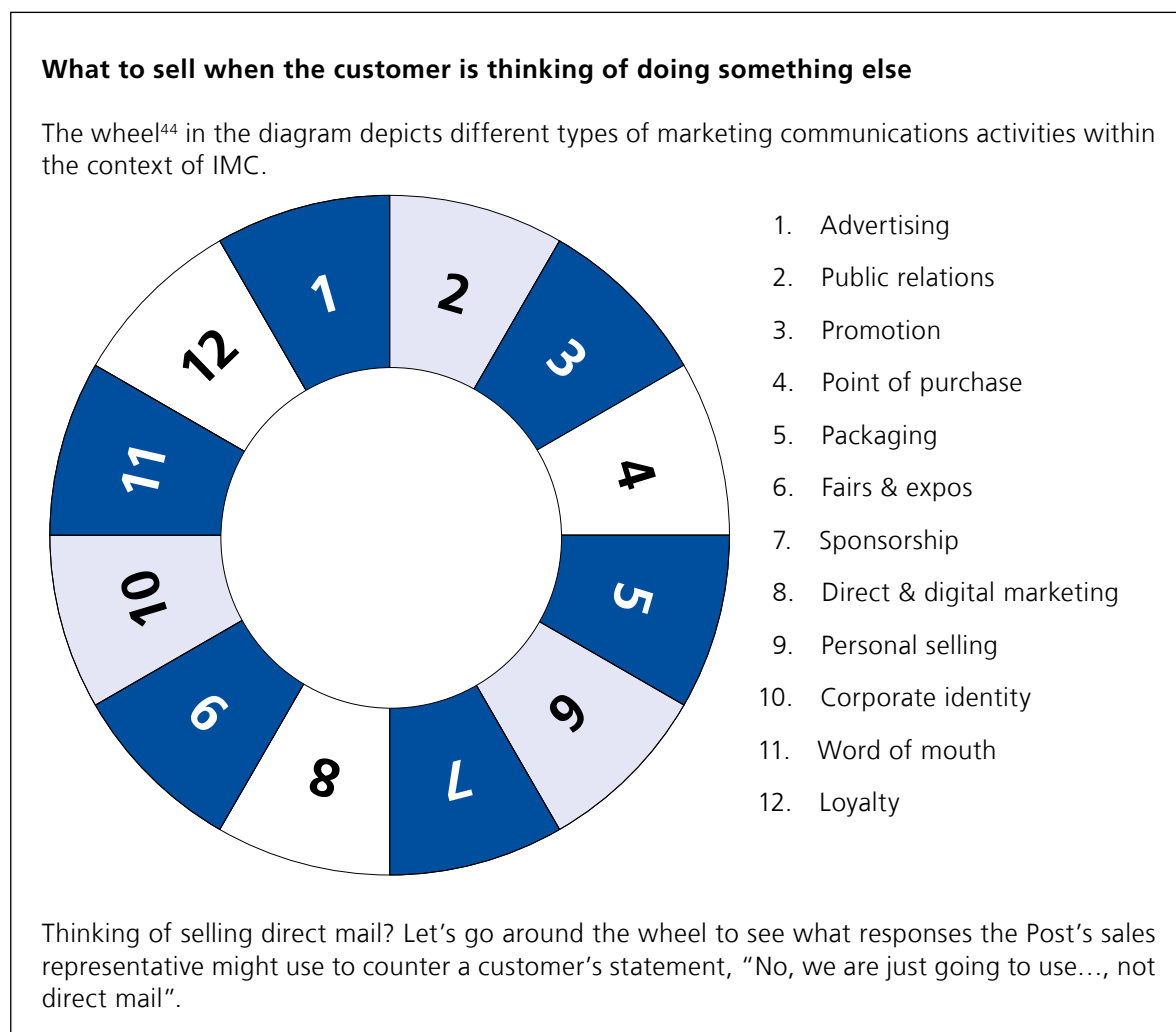


Figure 39 (cont.)

Customer: <i>"We are just going to use..."</i>	Post: <i>"So how about..."</i>
Advertising	including a phone number or URL so that people who are interested can ask for a sample or a brochure (to be sent by direct mail)
Public relations	sending out press kits by mail – maybe in a dimensional mailing – so that influential reporters will pay more attention to the product launch
Promotion	generating more traffic to the promotion by targeting key segments by direct mail, encouraging them to respond to the promo
Point of purchase promotion	generating more traffic to the premises by announcing it by direct mail (maybe unaddressed)
Packaging	offering samples of other products your company wants to sell, on or in the pack
Fairs and exhibitions	contacting potential attendees by direct mail to get them to come to your stand, offering cocktails, give-aways, etc., to generate traffic to the stand
Sponsorship	inviting special customers (from a loyalty programme, for example) to attend the event, as a courtesy
Digital marketing	offering print catalogues, because they have been proven to increase the traffic to e-commerce sites; or maybe postcards with URLs, PURLs, QR codes, NFC or augmented reality to get the targets online
Personal selling	sending a "day after" thank-you letter, or using a "door opener" (see Figure 10) to increase the probability of obtaining the appointment
Corporate identity	sending the new logo on a sticker for current customers to place on their cars – makes the customer feel remembered at a key moment in the brand's history, and gives the new branding a lot of street presence for other people to see it
Word of mouth	driving current loyal customers online with a postcard with a URL, PURL, QR code, NFC or augmented reality, to help viralize your message
Loyalty marketing	segmenting your highest value customers (the ones you most want to retain) to send them emotionally gratifying greetings, recognitions and gifts by direct mail

Understanding cross-channel marketing is vital for Posts if they are to be successful in selling direct marketing products in today's world, and postal salespeople need to be knowledgeable in

order to suggest good cross-channel complementarities.

The table below provides a summary of this chapter.



Why focus on direct and digital marketing in Posts

- It is a mistake to handle the different marketing communications media in "silos", with no coordination among them.
- IMC is the discipline that pulls all the silos together. It consists of emitting consistent branding across all advertising and communications media (traditional and non-traditional, direct and non-direct), and articulating different promotional methods that reinforce one another.
- Cross-channel marketing entails articulating two or more marketing communications channels or media – each with its own job to do – within a single coherent campaign, in search of the best results (preferably a good ROMI).
- Salespeople from the Post must have an excellent understanding of all marketing communications media and how they can be used to complement one another in order to make proactive suggestions to customers and prospects and sell more direct marketing products and services..

CHAPTER 4 – DATA-DRIVEN MARKETING

Data-driven marketing

In recent years, direct and digital marketing has also come to be called data driven marketing. A definition that particularly appeals to the author is the following:

*Data-driven marketing is the blending of data to inform businesses, strengthen customer relationships and make sounder decisions that aren't based on gut, but rather based on valid, demonstrable insights gleaned from both digital and traditional campaigns.*⁴⁵

Direct marketing has always been data-driven. Mailings, telemarketing and e mail campaigns are based on lists – which are by definition data – and in direct response campaigns, the marketer will measure which media brought in more customers and will develop a list of respondents for future direct communications. In all cases, campaign data will be thoroughly analyzed and the ROMI calculated.

Digital marketing got off to a slightly rough start in its early years because marketers thought they were doing regular advertising, which was a shame because the data gathering power of digital is superb, whereas the advertising value of online ads still leaves much to be desired. Luckily, the analytics people soon made their voices heard and digital marketing started to follow in the data-driven footsteps of direct marketing.

Figure 40 shows a graph from *The Global Review of Data-Driven Marketing and Advertising*, a 2014 worldwide survey conducted by Winterberry Group and GlobalDMA.⁴⁶ The indubitable conclusion is that data matters. Over 3,000 companies in 17 countries agreed that data is a core pillar of advertising and marketing. Four developing countries participated in the survey and, notably, their response regarding the importance of data **today** (an average of 4.4 on a scale of 1 to 5, with 5 signifying “Data is critical”) was even slightly superior to the overall average of 4.3!

Figure 40



Therefore, data is a major input and output of direct marketing activities and this is as true in developing countries as it is in industrialized ones. Posts are a natural at handling data because they collect so much information daily from their extensive networks. They have address databases, and fully mechanized Posts process and scan each postal piece various times between receipt and delivery, so they have information on the movement of mail.

Thus, if the Post so decides, it can become a major ally of data-driven marketers in the gathering, processing and analysis of data. Many Posts (but only a handful in developing countries) already provide some data-related services to marketers, such as marketing lists, change of address registers, list hygiene services, response management, and geographic and micro-geographic segmentations, all of which are explained further in Chapter 5, which deals with infrastructure.



Big data

Much has been heard in recent years about big data, although experts do not have a single definition of the term. What has occurred is that the sheer amount of data being generated in the world today has increased exponentially, to the point where it is unmanageable by conventional computational tools. The consultant firm Gartner defines big data as follows:

*Big data is high-volume, high-velocity and high-variety information assets that demand cost-effective, innovative forms of information processing for enhanced insight and decision making*⁴⁷

However, the author prefers the less formal explanation proffered by the deputy technology editor of the New York Times:

*What's "big" in big data isn't necessarily the size of the databases, it's the big number of data sources we have, as digital sensors and behaviour trackers migrate across the world. As we triangulate information in more ways, we will discover hitherto unknown patterns in nature and society – and pattern-making is the wellspring of new art, science, and commerce.*⁴⁸

Perhaps an example is the best way to understand how discovering patterns in data can lead to innovation in commerce. Digital guru Bernard Marr explains how the use of big data could lead

to exceptional direct marketing targeting for a retailer:

*[Imagine that] Wal-Mart is able to take data from your past buying patterns, their internal stock information, your mobile phone location data, social media as well as external weather information and analyze all of this in seconds so it can send you a voucher for a BBQ cleaner to your phone – but only if you own a barbeque, the weather is nice and you currently are within a 3 miles radius of a Wal-Mart store that has the BBQ cleaner in stock.*⁴⁹

Wow! Now that's some impressive targeting! Imagine how much higher the conversion rate on that mobile message would be in comparison with a simple newspaper ad for BBQ cleaner! Surely the ROMI on that ad would be through the roof!

How can Posts tap into the potential of big data? In 2014, the USPS Office of the Inspector General, in collaboration with the Universal Postal Union, held a forum of postal and big data experts to discuss how postal operators could benefit from big data and to learn from pilot experiments conducted in the postal sector. Although the subject matter is rather advanced for many developing and least developed countries, it is convenient to recap the conclusions of this forum as a vision for the future. After all, as the famous U.S. sports figure Yogi Berra once said, "If you don't know where you are going, you'll end up someplace else!"⁵⁰ So it's always a good idea to have a general direction in which to point. The following insights come from the discussion forum recap.⁵¹

Among the visionary applications of knowledge derived from big data are ideas that would support economic growth and public services and safety. Many of the immediately identifiable big data opportunities for Posts will contribute to streamlined operational processes and improved disruptive logistics (some game-changing in their conception, such as crowdsourcing deliveries), leading to cost savings for Posts. Others will result in the creation of new products and services. While all of these developments would tend to increase customer satisfaction – something marketers clearly favour – they do not have direct marketing applications in and of themselves.

However, several ideas and pilot studies delved into areas in which big data would be very useful for direct marketing:

- Poste Italiane has deployed big data architecture that supports the real-time generation of tailor-made offerings and

discounts for the mobile banking customers of financial sector clients.

- Experts predict that the “Internet of Postal Things” (in which everything the Post uses – mailboxes, vehicles, machines, or even letter carriers – could be equipped with sensors to generate data) will allow Posts to make insights from information collected by and for the Post available to other parties, such as marketers.
- Others foresee making change of address information available faster and more frequently to mailers; providing more data on delivery dates; allowing access to data along the supply chain, such as customs data for cross-border direct mail; and using data analytics to enhance the ROMI of direct marketing.

The forum concluded that it is important for postal operators to take the steps necessary to implement big data plans from collection, to analytics, to successful usage. Posts should capitalize on the best practices of other postal operators to develop, test, and launch innovative big data solutions. This is perhaps the best advice for Posts in developing and least developed countries: remain abreast of what is happening in big data in other countries because the future may very well arrive sooner than you think! Two other recommendations from the forum are very appropriate: select and analyze data based on clear business objectives; and focus on existing data first, meaning the information that is already collected but not yet analyzed, because it might reveal valuable new insights.

Data-driven marketing is customer-centric

Customer-centricity is simply putting the customer in the centre of the company’s strategy.



The concept transcends marketing, but logically any marketing communications plan or process should start and end with the customer.

Peter Fader⁵² maintains that customer-centric marketing includes looking at a customer’s lifetime value (CLV), that is, all the profits that a client will generate for the company during the years he or she remains a customer, and focusing marketing efforts in order to gain as much ROMI as possible. CLV is a key concept in direct marketing. It should be added that ensuring high customer satisfaction must necessarily be the marketer’s parallel objective, because lifetime

value is maximized when customers remain loyal over time.

The practice of direct marketing requires the marketer to centrally manage the relationship with customers and prospects. This is called customer relationship management, or CRM. To engage in CRM, the company has to register not only transactional data (what products the customer bought and what services the customer is using), but also data on all contacts between the customer/prospect and the firm (the telemarketing contacts made or the mailings/e-mail marketing messages sent and how the customer responded; any calls from the customer regarding inquiries or customer service and how they were resolved, etc.).

For CRM to be effective, a computerized system is needed. This technology allows the company to successfully carry out omni-channel marketing in service companies, such as in banking, retailing and other consumer services. In omni-channel marketing, each customer-interfacing employee has access to the full relationship data on the customer when in contact with that customer. For instance, a bank teller will know whether the customer paid his or her credit card bill the day before through home banking, or whether the customer registered a complaint with the bank’s call centre and how it was settled. A retail salesperson at a branch of a bookstore chain will know whether a customer purchased a certain book via e commerce and will be able to accept a return or exchange request from the buyer right there in the branch. In omni-channel marketing, the customer is treated equally no matter the contact point through which the customer chooses to deal with the company at any moment in time.

In the direct and digital marketing context, CRM is applied in analyzing, planning and executing campaigns. Customer and prospect groups are segmented and analyzed in order to identify behaviour patterns that might be related to purchase probability. The list of persons to contact in every direct communication is generated according to the segmentation chosen for the specific offer in question. Each contact made and the response obtained is registered.

CRM systems are vital to the effective administration of direct and digital marketing campaigns and they are especially crucial in cross-channel marketing, where the marketer follows the reaction of the customer or prospect from the stimulus in one channel to the response

in another. It is important, however, to understand that CRM is the philosophy or concept – the way the company relates to its clients in a customer-centric manner. The system itself is not the CRM, but simply a tool employed in managing customer relationships.

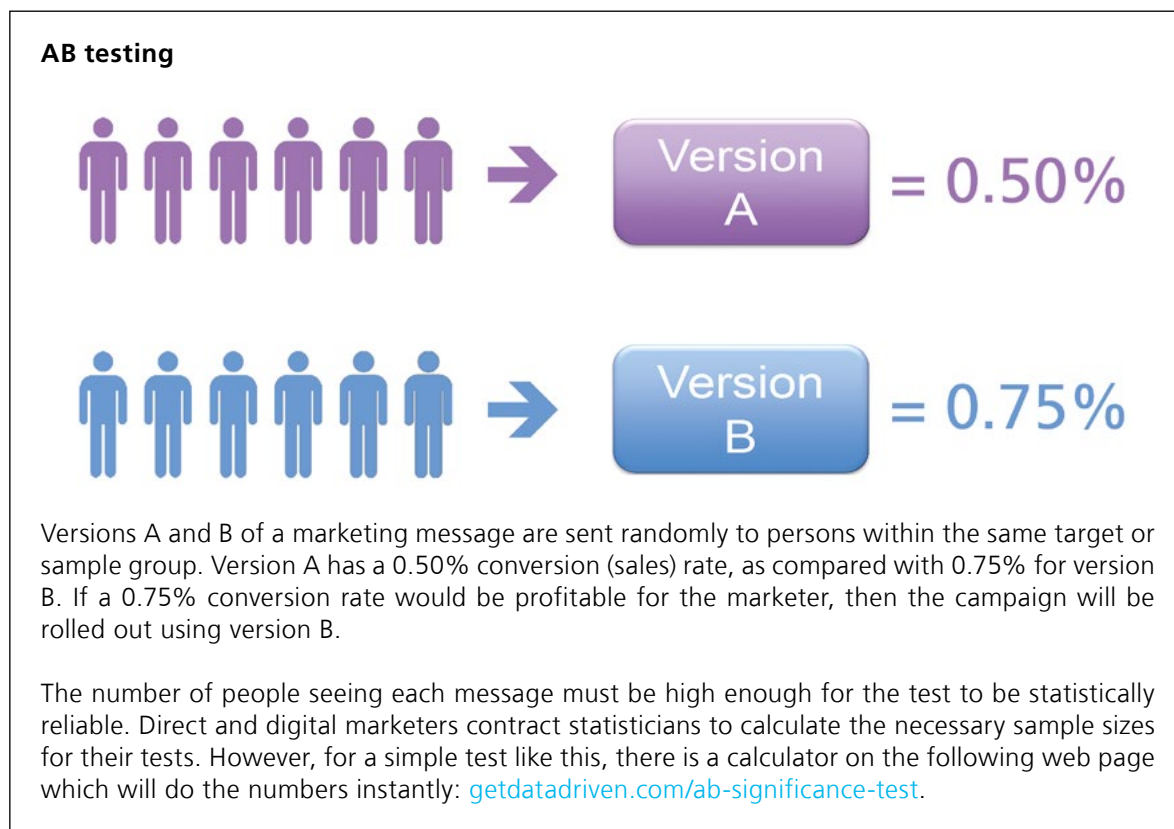
Testing as a way of life in direct and digital marketing

Testing is a type of marketing research. It is the only way to predict exactly how customers and prospects will behave in response to direct and digital marketing communications. Other research methods ask consumers how they would react to the communications. However,

saying and doing are two different things, and many factors can intervene and change the consumer's mind between the time the consumer answers the research questions and when he or she is faced with the purchase decision itself.

The simplest testing type is called the AB test, in which two versions of a marketing message are sent to similar targets (usually taken from a single list at random, although if a web page is being tested, each visitor who arrives is served one of the two messages at random). The results of the two groups are compared and the message that wins the test is used to roll out the campaign, which would be version B in the example shown in Figure 41.

Figure 41



Only one variable at a time should be tested, so that the marketer can identify what factor made the difference. For instance, the example in Figure 41 could be a direct mail flyer. The front side of version A might say "Big discounts on gifts for Valentine's Day", while the front of version B might say "Don't forget your sweetheart this Valentine's Day". If the marketer offers a 20% discount on the back of version A and a 25% discount on the back of version B, then the marketer won't know if the higher response for

version B was due to the message on the cover or the larger discount.

There are ways to test more than one variable at a time, using different testing matrices. Figure 42 shows a simple matrix for testing two variables at a time. It is also possible, with other matrix designs, to test more than two variables simultaneously, but call a statistician if you want to attempt it!

Figure 42

A simple matrix for testing two variables at the same time

Designing a matrix like this allows the marketer to test more than one variable at a time. In this example, two different lists are being tested along with two different offers (a 20% discount in one case and free installation of the product in the other). The numbers in the cells are the quantity of messages of each type to be measured.

A statistician must tell the marketer how many cases to sample in each cell of the matrix, and can also help the marketer design a test for more than two variables at the same time.

TEST	20% discount	Free installation	TOTAL
List A	1500	1500	3000
List B	1500	1500	3000
TOTAL	3000	3000	6000

Testing has always been a way of life for direct marketers and has also become a standard practice for digital marketers. Indeed, if the results of the test in Figure 42 showed that list A with free installation pulled significantly more responses, then the campaign would be rolled out using list A with that offer. However, the experienced direct and digital marketer would try another variation with a small portion of the messages (maybe 10%) – for instance, offering 25% off – to see if that would get better results.

Continual improvement is a precept of direct and digital marketing and, therefore, testing will always be taking place.



Attribution

It was in 1887 – yes, 1887 – that the celebrated North American marketer and retailer John Wanamaker reputedly said: “Half the money I spend on advertising is wasted. The trouble is I don’t know which half.” And so, for more than 100 years, the advertising community convinced marketers that it was not possible to measure the return on advertising investment. But by the time that Schultz and his fellow

professors at Northwestern fathered the concept of IMC, investors were no longer accepting that premise and were demanding accountability for advertising expenditure.

Actually, a marketer who uses mass media campaigns can measure the uptick in sales and determine how profitable the campaign was in relation to the cost of the advertising. The problem is one of **attribution**: to what ad in what medium should which sale be attributed? Wanamaker suspected that, with only half of his advertising expenditure, he could get the same results; he was just unable to root out the non-performing ads or media. And although the metrics have improved, allowing marketers to determine the reach, frequency and cost per contact of each of the mass media used, it is still a major leap from this to an actual per-ad or even per-medium ROMI.

Direct and digital marketers, however, can and do measure results and attribute them to each of the ads and media they use. And as more media go online (Internet radio, interactive television), the possibilities of accountability are increasing. What is important to remember (apologies for the obviousness of this advice, but marketers have been known to slip up on this point!) is that the way results are to be measured

must be planned into the campaign itself. Take, for instance, the example in Figure 28, where the marketer asks respondents to bring in the postcard to get a discount. By digitalizing the data from the postcards brought in, the marketer will know not only how many but also which of the contacts responded! In the second example in Figure 33, where consumers could respond to magazine advertisements and request free samples of tea, each magazine was given a slightly different response vehicle (twiningsusa.com/pantry-FN for the Food Network magazine, but twiningsusa.com/pantry-RB for Redbook magazine). This is the typical way that direct and digital marketers attribute results to specific media and messages, and it obviously has to be planned prior to rolling out the campaign!

Cross-channel marketing adds a new complexity to the attribution of results of direct and digital marketing messages. Therefore, just as online media buying is becoming more and more automated, new, sophisticated analytical systems are appearing to aid marketers in attributing sales results to each distinct online and offline, direct and non-direct media activity.

While many of the latest developments may seem very advanced in developing and least developed countries, technology is bridging frontiers very rapidly. It is necessary for Posts and their salespeople to realize that direct and digital marketing are in essence data-driven, in order to understand where their marketer customers will most probably be going in the not-too-distant future.



Data-driven marketing

- Marketing is becoming more data-driven every day, in both industrialized and developing countries.
- Data-driven marketing decisions are based on demonstrable insights obtained from analyses of digital and traditional campaigns.
- Big data utilizes the large amount of data being created daily in all aspects of life to discover patterns that will show the road to new ways of marketing to benefit companies, suppliers and, most importantly, society as a whole.
- Customer-centricity is key in direct and digital marketing. Marketers must learn to employ the concept of customer relationship management to improve customer satisfaction and loyalty and, as a result, the ROMI of their marketing activities.
- Testing is a way of life in direct and digital marketing, as it is related to the continual improvement of profitability.
- Increasingly, just as in the case of media buying, more sophisticated systems will be employed to attribute sales results to each of the media involved in cross-channel marketing and to calculate the ROMI of each one.
- In order to be able to serve and sell to marketing customers, Posts and their salespeople must understand the data-driven essence of direct and digital marketing and where technological developments will lead in the near future.

CHAPTER 5 – THE NECESSARY INFRASTRUCTURE

What elements of postal infrastructure are required to support direct marketing activity in a country? Certain postal services are vital to the different steps in the direct marketing process and must necessarily accompany the development of the strategy and objectives of the campaign. Some services can sometimes be provided by third party suppliers, but all are required if direct marketing is to really take off in a country. The required elements are:

- marketing lists and address management
- sending the mailing
- receiving and managing responses

Marketing lists and address management

Marketing lists

The Spanish expert Ramón Guardia Massó, in his classic book *Never Sell to a Stranger*,⁵³ estimates that the list used in a direct marketing campaign is responsible for 60% of its success. In direct response media, this is equivalent to the audience that will be exposed to the ad. Guardia Massó says that the actual offer is responsible for 30% and the creative component for 10% of the results. It is interesting to note the low impact of

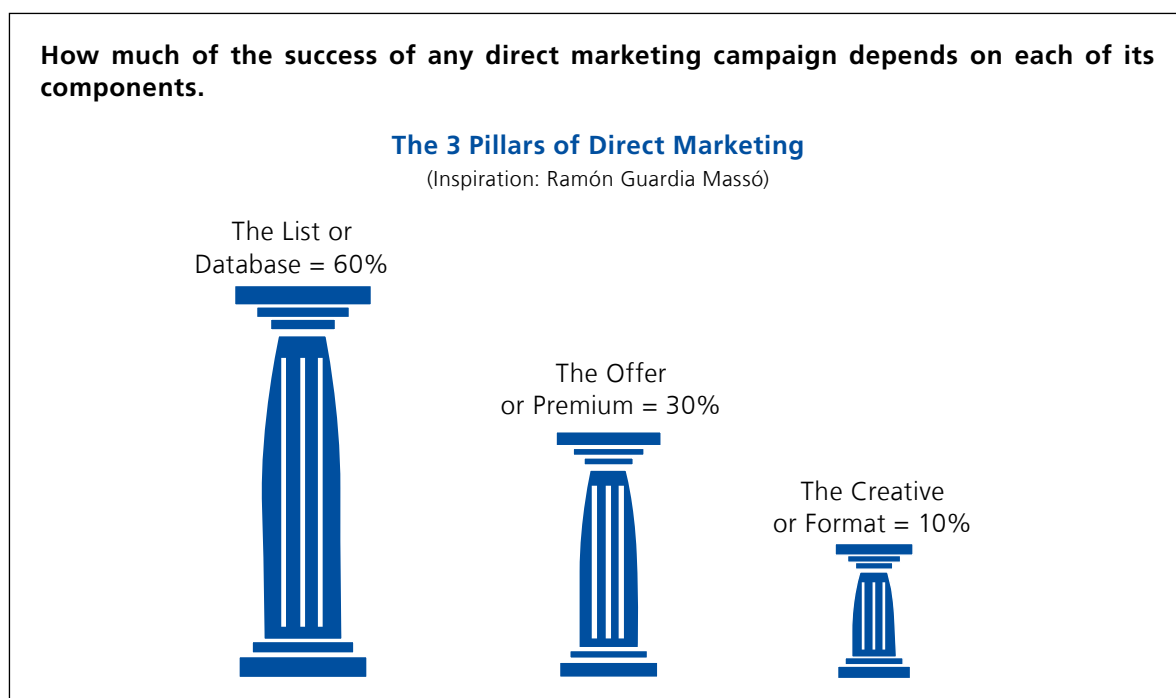
creative on results. It is not that creative is not important. It is just that if a message is sent to the wrong people, nobody will respond; if it is sent to the right people but the offer is totally unattractive, nobody will respond. Only if the right offer is sent to the right people will creative start to make a noticeable difference in the response rate.

Figure 43 depicts these “three pillars” of direct marketing, and clearly shows that **the single most influential element in a direct marketing campaign is the list or audience.**

Unfortunately, in many if not most developing and least developed countries, good lists are not abundantly available. On the other hand, many service industries (banks, telecommunications, etc.) do have their own customer lists that can be used for marketing purposes. But other marketers will need to source outside lists or compile their own in order to use direct marketing communications. These lists should include names and one or all of the following: postal address, e-mail address, and phone number (landline and/or mobile phone).

Some Posts (but not many in the developing world) offer their own marketing lists to clients

Figure 43



who want to engage in direct marketing. Where responsible list vendors exist in the private sector of a country, some Posts refer their clients to these suppliers and/or act as brokers, buying or renting data from the vendors for resale/rental to the Post's clients. It should be noted that only 16% of the Posts in developing countries polled in the 2013 UPU/DMAAB survey of direct mail products and services⁵⁴ stated that they provide brokerage services for lists from outside sources. To some extent, this could reflect the lack of good, legitimate lists and brokers in these markets in general, but where reliable brokers exist, the Post should assist them in hooking up with customers.



When good quality lists are not available for purchase or rental, the Post should encourage its customers to produce their own lists. "Compiling" consists of putting together a mailing list from information available in the telephone book, business directories, public records and other publicly accessible sources. Potential direct marketers – whether large corporations or small businesses – should certainly consider compiling their own lists. And there are three other ways to access good marketing lists, which will usually provide even higher response rates than most compiled data:

1. Conduct co-marketing campaigns to **use other companies' lists**.
2. **Don't engage in one-shot marketing:** squeeze all the juice out of the lists you have.
3. **Run "hand-raising" campaigns** to build your own lists.

Each of these three important tactics is explained in detail below:

1. **Use other companies' lists.** The sharing of data among companies is crucial for the data-driven economy and for the greater success of the Post's efforts in direct and digital marketing. Companies can make agreements with banks, retailers, and other (mostly service sector) companies that have good customer lists, to conduct co-marketing campaigns with them. Observe, for instance, how in one campaign from Argentina (see Figure 44), the publisher Reader's Digest and the SALES cancer research foundation joined forces with the local bank Banco Comafi to use its customer list in a direct mail campaign to generate magazine subscriptions, credit card charges for the bank, and donations for cancer research. The bank did not hand over its customer list to Reader's Digest or the foundation. It received the mailing pieces, placed customer address labels on each and

dispatched them by post, billing Reader's Digest for the postage. This particular campaign involved a telemarketing follow-up to recipients of the flyers (cross-channel marketing), which was also managed from the bank's own call centre at the publisher's expense. Reader's Digest obtained about 3,000 subscriptions from this direct mail offering and the foundation obtained some 3,000 new donors. But both the publisher and the foundation also then had 3,000 new names on their own lists for future direct marketing campaigns! So we see that co-marketing is a marvellous way to start propagating good, legitimate marketing lists in countries where reliable list brokers do not satisfy the demand.

2. **Don't engage in one-shot marketing!**

Don't treat your good marketing lists as if you had a silver bullet, good for only one shot. One of the most frustrating errors that marketers commit is not making the most of their good marketing lists. This is particularly unfortunate in countries where lists and resources tend to be scarce. It's as if these marketers thought they had a silver bullet, just one chance to hit the target, which is not the case at all. It's an old rule of thumb in direct marketing that, if you have a good response when making a certain offer to a particular list and you wait a few weeks and make the very same offer again to the exact same list, you will get approximately 50% of the response you obtained the first time around. Of course, a rule of thumb is nothing more than a general guide to what typically happens in similar cases, and cannot be relied upon in all situations. But in Figure 45, we can see how a bank in Argentina applied the rule and repeatedly obtained good results from the same marketing list. So this approach is definitely worth adopting, especially in developing and least developed countries: continue to use the same marketing list for the same offer until you reach the point where 50% of the results of the previous "shot" (offer) would no longer be a profitable result – at that point you have squeezed all the juice out of that list for that particular offer.

3. **Run "hand-raising" campaigns** to get interested parties to provide their contact data. Lists built from this type of campaign are a type of "response list" (see glossary). Figure 11 (pp. 27-28) from the Bermuda Tourism Department is a typical hand-raising campaign. People who visited the Bermuda website raised their hands as prospects interested in vacationing in the islands. In that

Figure 44

Co-marketing campaign

This is an example of how co-marketing can help to increase companies' access to good marketing lists. In effect, Reader's Digest and the SALES Foundation are "using" Banco Comafi's customer lists. We see below one side of a flyer, sent by addressed direct mail, to 140,000 customers of an Argentinean bank.

1. A well-known and loved Latin American actress is the spokeswoman.
2. The offer is a special price for subscribing to Reader's Digest magazine, with 25% of the proceeds to be donated to the development of a vaccine against melanoma.
3. Here we see the three institutions involved in the co-marketing: the publisher Reader's Digest, the Comafi bank and the SALES Foundation.

1

"Estamos por lograr una vacuna contra el cáncer:"

"En 1922 nacimos Selecciones y yo. En los años 40 empecé a leerla en español. En los 50 la revista abordaba sobre el cáncer de páncreas y probaba la publicidad de cigarrillos."

"En la Argentina, Reader's Digest apoya a la Fundación Sales, que está por lograr una vacuna contra el cáncer, según se explica en el dono de esta comunicación."

"En pocos meses se inició la prueba definitiva sobre 100 pacientes con melanoma, que deberá confirmar la eficacia de la vacuna que se viene probando en pacientes desde hace 15 años."

"Si te suscribes a Selecciones, podrás ser protagonista de esta historia solidaria. Muchas gracias."

2

► Quiero recibir Selecciones, a \$5,50 por mes, que debitarán de mi tarjeta de crédito. Reader's Digest donará el 25% neto de mi suscripción anual, para el logro de la vacuna antitumoral.

Selecciones es la revista más leída del mundo, que se publica en 19 idiomas y Baille. Ahora totalmente renovada, con la mejor lectura para toda la familia. Léala y ayude a la lucha contra el cáncer.

Únase a esta acción solidaria llamando al
(011) 4379-9722

3

Reader's Digest ARGENTINA
BANCO COMAFI
Fundación SALES
Junto a SALES contra el cáncer
1976 • 31 años • 2007

This mailing generated about 3,000 magazine subscriptions and as many donations to the SALES cancer research foundation. Both the publisher and the foundation thus increased their own mailing lists by the 3,000 persons who responded to this offer. An interesting aspect is that the bank did not have to reveal its customer list to the publisher and the foundation, as explained above.

case, sophisticated personalization was employed. While personalization is highly recommendable, successful hand-raising campaigns can be conducted without employing advanced technology. They also don't need to use the Web as the front end. Unaddressed mail, for example, is often used very successfully for this purpose. The secret to good hand-raising campaigns is to offer something for free – or at a very low, subsidized cost – that will incite people who are interested in the product or service the organization is selling to raise their hands and provide their contact data. The offer could be a brochure with information (personalized or not), a sample of the product, a coupon with a discount, a sweepstake/prize draw to win the product or service itself, etc. (Just be sure to avoid offering give-aways that would also be attractive to people who would not be interested in buying the product or service,

because that way you would be generating a poorly targeted list and wasting your money!) Where should the hand-raising offer be publicized? Try websites, online banners, search engine marketing, print advertisements, TV and radio ads, outdoor ads, unaddressed direct mail, inserts in publications or account statements, on-pack and in-pack advertisements in mass consumption products, or even street or point-of-sale (POS) promotions. There are any number of places where a hand-raising offer can be announced.

Hand-raising campaigns can help companies build their own excellent marketing lists.

Where the private sector is not forthcoming with legitimate and reliable lists, it can be very beneficial, for the growth of direct marketing, for the Post to develop its own lists to sell to clients. Such lists are similar to "hand-raising"

Figure 45

Squeeze the juice out of your good marketing lists

Banco Columbia in Argentina wanted to sell “instant cash” loans to its credit card customers. A percentage of each customer’s credit limit was available for the asking – pre-approved – as a loan, to be repaid in 12 monthly instalments that would be included in the regular credit card statement. So the bank created three different die-cut half-fold brochures with different creative work but exactly the same offer.



1. First, to a list of 10,000 good customers, Banco Columbia sent a brochure in the shape of a magician’s hat, saying “You don’t have to be a magician to pull money out of your top hat”. Inside, the brochure explained the loan offer. The response was an amazing 25% and the profitability of this mailing was excellent.
2. Then, two months later, the bank sent a second mailing to the 7,500 customers from the same mailing list who had not taken the loan in the top-hat mailing. This piece was Aladdin’s lamp and the title said, “You don’t need a genie to make your wishes come true”. Response to this second mailing to the same list was 12% – confirming the rule of thumb that you can expect about half the response rate the second time around. This was still a very profitable outcome.
3. After a further two months, the bank sent a third mailing to the 6,600 customers who had not responded to either of the previous two. This time it was a cloud-like balloon in which comic-strip characters’ dreams appear. This brochure is shown open in the picture and the headline reads “If you still have dreams in mind, make them come true”. This mailing obtained an 8% response rate (more than the 50% “rule”). Since the mailings remained very profitable at this response rate, the bank continued to make this offer periodically to the same customers.

The moral of this story is that direct marketers do not have a silver bullet – a single chance to make a marketing list yield results. Instead, they should continue to use the same good list for the same offer until the response rate is no longer profitable. Think of all the sales that Banco Columbia would have lost if it had not continued to mail the same offer to the same list.

lists (see above) – except that they are not related to one single company or brand in particular – and they are usually built by sending questionnaires to individuals or households, and sometimes to companies, inquiring about their

consumption profiles. There may be some sort of prize draw to encourage responses. Alternatively, lists may be compiled by letter carriers or other agents who survey residents door to door. This information can be

complemented by other data from public sources. So, a major opportunity for Posts in developing and least developed countries where decent

marketing lists do not exist is summarized in Figure 46: Why not do it ourselves?

Figure 46

The marketing list question – Can the Post help?	
Situation	<ul style="list-style-type: none"> The marketing list is the single most important factor in the success of a direct communications campaign. In many developing and least developed countries, reliable providers of marketing lists do not exist or are scarce.
Problem	<ul style="list-style-type: none"> This situation is a major impediment to the development of direct marketing in these countries. While individual companies can obtain or create lists using methods such as co-marketing, compiling and hand-raising (explained above), all these methods call for considerable dedication. This means that firms that are just thinking about direct marketing may be dissuaded by the lack of lists.
Possible solution	<ul style="list-style-type: none"> The Post can develop marketing lists by surveying individuals and businesses on their consumption profiles, and rent these lists to postal clients for direct marketing campaigns. See Figure 47 below to learn more about how this is done. If the lists are good, not only will the “just thinking about direct marketing” customers rent them, but other direct marketers will do so too. If done well, this should become a money-spinner for the Post.

Thus, co-marketing, avoiding one-shot marketing, and hand-raising are musts for list management in developing and least developed countries, where good, legitimate lists are not widely available for rent or purchase. Lifestyle surveys, like the one shown in Figure 47, are very powerful tools for achieving hand-raising on a collective basis (not marketer by marketer, but a single survey that provides targeted data to many different types of mailers).

Lastly, other important list management services that are offered by third parties, and sometimes by Posts directly or through recommended suppliers, are **data enrichment** or **data enhancement** services. These services allow companies to update outdated data, to fill in incomplete data, and to add valuable information to their lists to improve their marketing. Some of the things that can be done, within a certain degree of error, are:

- finding the name of the person who lives at a certain address

- finding the address of a person whose name the company already has
- adding phone numbers to an address list
- adding e-mail addresses
- appending demographic information like age, socio-economic level, gender, and profession
- adding, in countries where the privacy legislation allows it, the person’s credit rating, type of automobile owned, and other consumption data
- indicating industry codes for B2B marketing
- identifying the number of employees, sales volume, branch offices, etc.
- identifying the names of executive decision-makers within corporations
- and identifying a myriad of other data that can be useful for specific marketing needs

To sum up this important section, the box on page 87 shows what the Post needs to do in the area of list management.

Figure 47

The Australian Lifestyle Survey – A sophisticated and very useful type of hand-raising

Australia Post has conducted the Australian Lifestyle Survey since 1997. This questionnaire collects some 200 variables of information on consumers and their households on such diverse topics as leisure interests, readership of magazines and newspapers, travel, shopping, distance/online purchasing behaviour, health and fitness, intention to move, value of home, number of children, money and investment, credit cards, banks, motor vehicles, charitable concerns, and other consumption preferences.

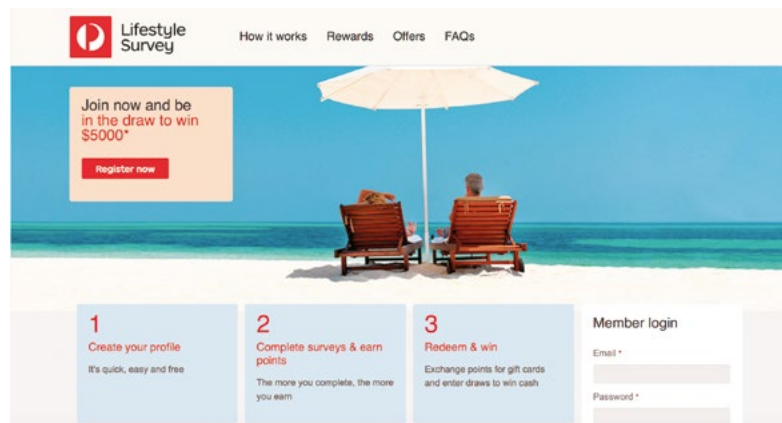
A systematic approach over a number of years has yielded a powerful database tool containing constantly updated data on over four million people, about 20% of the adult population of Australia.

The survey is distributed by addressed and unaddressed mail and is also published on the Web where it can be answered online. The questionnaire is very long, as evidenced by the copy of the survey included in the Appendix to this Guide on pp. 193-197. The considerable length is typical of this type of survey. Hundreds of thousands of consumers are interested enough in these matters to respond to each edition of the questionnaire. And it is not just the prize drawings that tempt people to participate: consumers are actually very keen to receive information on products and services that are relevant to their interests and needs, and this motivates them to reply.

To maintain the accuracy and freshness of the data, Australia Post solicits new respondents twice a year. Refresh campaigns are conducted to get previous survey respondents to renew their data. And the national change of address database is used to update addresses.

Businesses that want to use this data have two options: 1) they can sponsor questions on the survey and either keep the responses for their exclusive use, which is a more expensive sponsorship option, or allow them to be shared by other interested companies; or 2) they can simply contact First Direct Solutions, explain their needs and what product or service they will be promoting, and request a proposed segmented list from the data already on hand. Obviously, these mailers pay for list usage and so, between sponsorship and list rentals, this lifestyle database is a money-making proposition for the Post.

The advantage of this type of list is that it is built to match the marketer's specific targeting needs, and so the offer is extremely relevant to the consumers it reaches. This results in a much higher response rate and much less wastage (offers that reach consumers who are not at all interested in the product or service), meaning that the ROMI to the marketer should be much higher than for a list simply targeted on geographical or socio-demographic profiles.



The data from the survey is used to target the best prospects for each product or service.



How the Post can facilitate the availability and quality of marketing lists

Summary

- Encourage the growth of reliable, legitimate list brokers who can provide good lists to direct marketers. If and when these brokers exist, rent lists from them for postal customers and/or recommend that the Post's clients deal with them to rent lists and use data enrichment services.
- Advise existing and potential direct marketers on how to build their own lists through co-marketing and hand-raising, and encourage them to avoid one-shot marketing, so that they get the most out of the lists that they have.
- The Post itself can develop, through hand-raising campaigns, marketing lists for rental to customers.

Address management

By no means less important than marketing lists is the question of good address management. What do we mean by address management? It is the process of ensuring that all postal addresses on your lists are up to date, accurate and unique. In terms of the updating of marketing lists, in every country in the world, people and businesses move, so keeping a mailing list up to date is a major challenge. In the United States, 13% of the population changes addresses each year, and in the United Kingdom the rate is 10%. Figures for businesses' address changes can be even higher. There are few statistics on change of address in developing and least developed countries, although Argentina has also measured it at 10%. If we take these figures as a norm, this means that any mailing list will deteriorate at the rate of about 10% a year, so keeping addresses up to date is important.

It is very important that Posts not only implement good change of address systems, but also educate the public to use them. In most developed countries, any citizen who changes residence almost automatically notifies the Post – it's just a natural reflex to ensure that you continue receiving your mail. But there is no such reflex in most developing and least developed countries.

Perhaps because of this, in most developing and least developed countries, the Post does not even offer a change of address service. The 2013 UPU/DMAB survey of direct mail products and services provided by designated operators showed that only 43% of developing and least developed countries have change of address systems for the Post's own use, and just 25% provide them to business customers like direct mailers for

updating mailing lists – as compared with 92% and 81% respectively for the Posts in industrialized countries.

This is unfortunate for direct marketers, not only because their mailing lists cannot be easily updated, but also because **moving is a household behaviour associated with major expenditures**: people who change homes tend to spend on furniture, curtains, carpets, appliances, remodelling, and other equipment and decorations. These are all high-cost items, and there are many direct marketers who would very much like to contact people who have just moved to offer them their products and services. According to the UPU/DMAB survey of direct mail products and services, only 19% of Posts in developing and least developed countries make change of address lists (identifying people who have just moved) available to marketers, as opposed to 85% of Posts in developed countries. This is just one of the important challenges that developing and least developed countries face in the area of address management. For example, in some regions, household addresses simply do not exist. In others, addresses do exist, but they are not unique: the same address may exist in more than one area and there is not a good postal code that differentiates among them. Frequently, street names are changed, leaving marketers' mailing lists out of date. Figure 48 below explains why Posts really must tackle address management in order for direct mail to grow.



Figure 48

Why address management is even more important to direct marketers than it is to the Post

Needless to say, if a country does not have an address system, it is impossible to develop direct mail. Of course, some unaddressed mail could still be sent, but unaddressed mail is a primitive expression of direct mail. It is like “advertising in an envelope” – or as is common nowadays, often even without the envelope! It is best used for hand-raising campaigns and other prospecting activities aimed at gathering interested people’s names and contact data. But, for really good-yielding direct mail activities to develop, well-managed address systems are a must.

Even in countries where street addresses exist for most households, address management is vital. The following example shows some of the issues surrounding the assignment of a correct and unique address to correspondence:

The author’s correct address, according to the Argentinean Post, is:

1. ***Avenida del Libertador 17066***
B1643CRP Beccar

However, some correspondence is addressed as seen below:

2. ***Av. del Libertador Gral. Don José de San Martín 17066***
San Isidro 1642
3. ***Libertador 17066***
1643 Beccar, Provincia de Buenos Aires
4. ***San Martín 17066***
San Isidro, Provincia de Buenos Aires

And there are other variations too!

Actually, although some correspondence may have to be returned, most of it is regularly delivered to the correct household because the letter carriers are familiar with the neighbourhood. The diverse versions of the address are a complication for mail sorting, of course, but this difficulty is also routinely overcome and only results in some minor inefficiencies in postal processing.

Address standardization or normalization: The ideal process is to standardize all addresses, converting the four options above into just one: option 1, the official postal address. In most developed countries, and even in some developing countries like Argentina, where the Post has paid a lot of attention to the address and postal code system, this can be done by applying relatively simple computerized routines. And it will produce fewer undeliverable pieces, as well as lowering postal sorting costs. But we will see below how address standardization is even more important to direct marketers than it is to the Post.

There are also many different ways (both correct and incorrect) to indicate a person’s name. In the case of the author, correspondence arrives for:

- a. ***Mary Teahan***
- b. ***Mary Teahan Tauszig***
- c. ***Mary H. Teahan de Tauszig***
- d. ***Mary Tauszig***
- e. ***MHT de Tauszig***
- f. ***Mary Hilma Teahan***
- g. ***Mrs. Miguel Tauszig***
- h. ***Mari Tausig***
- i. ***Mary Tehan***... among other apocryphal renditions of the name

Again, the Post will probably deliver, because it does not pay as much attention to the names as to the addresses.

However, if we calculate the possible combinations of versions of streets and towns with versions of names, we have a huge number of supposed addressees at their supposed addresses. For example, the above options provide 36 versions of the author's name and address. An unwitting direct marketer could possibly send the same message 36 times to the same person!

This is a **major** problem for direct marketers. They need to obtain high ROMIs for direct mail to be successful. Sending undeliverable pieces or more than one piece to the same person reduces both the ROMI of the campaign and the credibility of the sender, especially when the piece is personalized.

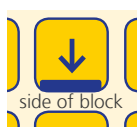
De-duplication: A fundamental operation for direct marketers is de-duplicating their lists to avoid sending more than one piece to the same person or household. De-duplication is an automated process in which the computer removes identical registers from a mailing list. Mary Teahan and Mary Tauszig at address 1 above are not identical registers. Nor are Mary Teahan at address 2 and Mary Teahan at address 3. Most de-duplication systems will pass over these duplications and the author would receive four copies of the same mailing.

Given a standardized address, however, and using their de-duplication systems, most direct marketers would recognize, in the example above, that Mary Teahan, Mary Teahan Tauszig, Mary H. Teahan de Tauszig and perhaps some of the other versions were probably actually the same person and they would be able to purge the repeated entries from their list.

Data hygiene: Processing a mailing list to eliminate duplicated registers, to standardize the postal addresses and, sometimes, to update address changes for people who have moved (if this information is available in the country) is called data hygiene. Hygiene means cleanliness, and clean lists are very important for direct marketers because they reduce duplicated and undeliverable mailings and therefore reduce costs and increase ROMI.

Householding: Trying to group a husband and wife and other members of a family into a single recipient – to avoid, among other marketing objectives, sending more than one direct mail piece to the same home – is called “householding”. This is one of the most difficult tasks in direct marketing list management and is probably too sophisticated for most Posts in developing and least developed countries to tackle at this point in time. So, figuring out that Mrs. Miguel Tauszig is the same person as Mary Teahan is probably asking too much. But figuring out that Mary Teahan is the same as Mary Tehan at the same standardized address is not. This is not householding, but just regular de-duplication. A good direct marketer would be able to pick this out, but only if the Post provides address standardization.

CONCLUSION: Good address management is absolutely fundamental to successful direct marketing in order to prevent undeliverable and duplicated mailing pieces. So it is imperative that Posts in developing and least developed countries start to work seriously on address normalization or standardization services if they want to promote direct mail.



Postal codes

Postal codes were, of course, introduced to facilitate mail sorting and in so doing improve the efficiency of Posts. Some might think that the codes are solely of interest to the Post. However, a good direct marketer will immediately recognize the usefulness of the postal code for segmenting markets geographically. Early postal codes (the first system was created in Germany in the 1940s)

usually just identified the town or, in large municipalities, a particular geographic zone within the city. This is helpful for marketers in many ways, provided they have access to mailing lists divided by postal zones or use unaddressed mail. For instance:

- In large cities, service establishments such as restaurants, retailers, and beauty salons can send direct mail or phone people who live nearby, within their postal code “zone”, to entice them to visit their premises.

- Some postal code zones in large cities tend to group together households of a certain socio-economic level. So marketers of products and services can target their direct mail or telemarketing campaigns to the desired socio economic segments.

This, however, is a very rudimentary type of segmentation – much better than nothing, but far from what a good direct marketer ideally needs.

Today, many countries use sophisticated postal codes that narrow the geographic area down to a tiny zone such as a block, a group of buildings or even just one side of a block (as is the case in Argentina, a developing country). Marketers in countries with this type of postal code system

can apply very sophisticated geomarketing techniques to segment their markets on the basis of census and other data. See Figure 49 for an illustration of how this can work.

It should be mentioned that sophisticated postal codes of this type are good not just for postal and direct mail uses – they also form part of geographic information systems (GISs) that are used by logistics companies and emergency services like fire departments, police and ambulances to route their vehicles to arrive at the right place in the shortest time. Retail chains use them to calculate travel time from different neighbourhoods to their stores, and they apply them when making decisions on where to install new business locations. They are also used for navigation, research and scientific purposes.

Figure 49

An example of geomarketing

A private school in a major urban area of a Latin American country wanted to target new applicants for admission to kindergarten. In that country, the postal code identifies the sides of the block, and legitimate, reliable private companies supply GISs that cross-reference national census data with address lists by using the postal code. This allows them to create geographic polygons having different densities of households with certain characteristics – in this case, preschoolers who are attending private (not state-run) kindergartens or nursery schools.

The image below shows a map containing polygons in different shades of purple: the darker the colour, the more households with these preschool children. Of course, this tool does not identify the exact addresses of these households. It is very helpful, though, for concentrating the school's prospecting activities. The school can send addressed or unaddressed direct mail to the neighbourhoods that have been identified as having a greater concentration of these children. This is an example of what is called micro-geographic segmentation.



To sum up this important section, the following table sets out what the Post needs to do in the area of address management.



How the Post can improve address management for direct marketers

Summary

- Define a good domestic addressing system with:
 - an address standard (what information should be placed on each line of the address)
 - address examples (e.g. a home address, a P.O. box address, a company address)
- Develop a good postal code
 - Make it readily available to direct marketers
 - If possible, create GISs around the postal code to associate census and other data to create rich geomarketing profiles for direct marketing and other uses
- Implement a change of address system
 - Make it readily available to direct marketers and other customers so that they can update their marketing lists (the Post can charge marketers for this service)
 - Create a list of recent movers and make it available to direct marketers (the Post should charge for this service)
- Create or foster the creation of databases for:
 - postal codes
 - delivery point databases, according to the address standard
 - address correction and hygiene, including change of address systems
- Promote the use of the tools listed above

Sending the mailing

Options for applying postage to volume mailings

These are basic services, offered by most Posts, and they are very important for direct marketers who generate considerable volumes of mail. **Pre-stamped envelopes, prepaid postage, franking machines and printed postage impression permits** – particularly these last two – are very important for direct mail.

Very large direct marketers will almost always opt for postage impression permits, because each of their mailings will tend to number in the thousands of pieces. But many SMEs can and should use direct mail. Their mailings will be in the hundreds, and they may not have a current or credit account with the Post, so prepaid postage schemes and especially in-company franking machines are important. What is important is that the Post have solutions for these customers that do not entail sticking

stamps on each direct mail piece or standing in line at the post office to post their mailings.

Postage-paid response, sometimes called a **business reply card or envelope**, is a classic direct mail product and, indeed, according to the UPU/DMAB survey of direct mail products and services, it is offered in 100% of industrialized countries and in 56% of developing and least developed countries. Postage-paid response vehicles can be provided not only in outbound direct mail, but also in inserts in print media like magazines. Posts should pay special attention to their service quality with respect to these response services. **The value of a response card to the direct marketer is many times greater than the value of the outgoing mailing itself**, because it is an answer from a concrete “lead” or prospective customer who has raised a hand to say that he or she is – or at least might be – interested in the marketer’s proposition. The author recently spoke to the operations area of a Post in a developing country and was amazed to see that the managers and

personnel there presumed that the response pieces were of a lower priority than the mailings themselves and treated them that way. No wonder the image of service quality for postage-paid response in that country was so poor! If there is one aspect of service quality that should be carefully monitored for direct mail success, it is the delivery standard for postage-paid response.

A special type of postage-paid response is offered by Royal Mail in the UK. It is called Freepost, and one of its features is a special Freepost NAME designed to facilitate postal response to direct marketing offers made in

media like TV, cinema advertisements or billboards, where a fast and memorable response address is necessary because people do not have time to write down a long address or complicated phone number. The advertiser simply tells consumers to mail a response to its special Freepost NAME (which will be Freepost MY-BRAND, Freepost WHATEVER-NAME-THE-ADVERTISER-SELECTS). It is a one-line address, very simple to remember, and no postage is required.

The following box summarizes the principal points with respect to postage application.



Postage application for direct mail

- Direct marketers produce large volumes of mailings, so they need fast and easy ways of applying postage.
 - Printed postage impression permits are ideal for the larger direct mailers.
 - Where the Post cannot extend credit to the mailer, or the customer's volume does not justify such permits, franking machines are a good solution.
- Postage-paid response
 - This service should be made available. Even though much response in developed countries has migrated in recent years to the telephone and Internet, postage-paid response is still an important vehicle.
 - The delivery standard for postage-paid response should be very exacting and very well monitored to ensure quality. This is the most valuable postal piece in direct mail because it identifies a customer who is indicating interest in the marketer's sales proposition.

Summary



Variable data printing

Personalization is a key trait of direct marketing because it is intimately related to targeting.

Personalization can be very basic, such as simply printing the name and address of and a salutation to the recipient on a pre-printed form letter. (Some inexperienced direct marketers call sticking an address label on an envelope "personalization"! Although this task does require variable data printing of a very simple nature, it just converts the piece into an addressed direct mailing, but it is not personalization.) Today, the desktop publishing tools available on desktop computers and the quality of simple office printers enable small businesses to perform a good deal of personalization of their own

simple direct mail pieces, without having to rely on outside printers. Posts should encourage customers to do this, especially for small mailings, where print shop set-up costs would make the mailing economically unviable.

Furthermore, a lot can be achieved by simply improving the segmentation of the database and customizing the message to the different needs and tastes of distinct segments. An example is shown in Figure 50. Results like this can be obtained without necessarily resorting to the highest degrees of personalization.

Figure 50

In a direct mail campaign offering price-savings coupons for sun and skin care products, the DM Drugstore chain in Austria decided to abandon the “single version for all customers” method and tried using different creative elements and offers for fashion-conscious customers 25 years of age and younger. They mailed 70,000 items to their general clientele with the family-friendly look of the brochure seen below on the left, which was accompanied by a letter and discount coupons for selected products. At the same time, 20,000 items were mailed to the younger customers using the brochure cover seen below on the right, with a different text in the letter and with different products featured in the interior of the brochure and redeemable by coupon, chosen to have greater appeal to this segment.

The customization was very successful, with the younger segment redeeming 17% more coupons than the general clientele who received the mailing. The young coupon redeemers spent 69% more at the stores than customers who did not redeem coupons.

While it did cost more to customize 20,000 of the mailings than it would have to just send 90,000 identical mailings, the increased response and revenues from the younger segment more than compensated for the greater outlay, proving that making different appeals to distinct segments is a profitable strategy.



Cover of the brochure
for general clientele



Cover of the brochure for young
fashion-conscious customers

However, when personalization becomes much more sophisticated, as seen in Figures 11, 12, 13 and 14 on pages 27-28, 30-32 (the Bermuda Board of Tourism, the bank in Argentina, the mobile phone company in Brazil, and the Chrysler service offering), the potential lift in results can be striking. A study⁵⁵ carried out in the United States by Frank Romano of the Rochester Institute of Technology and by consultant David Broudy

showed that increasing degrees of personalization will indeed improve the response rates to direct mail, so the existence of advanced variable data printing services in a country – whether offered by third parties or by the Post itself – is a definite benefit because it will help direct mailers to achieve better response. See Figure 51 to learn just how much personalization can affect response rates, according to Romano and Broudy.

Figure 51

Personalization increases direct mail response rates

Formal research carried out in the United States showed a considerable increase in the response rates to direct mail as increasingly sophisticated personalization was employed.

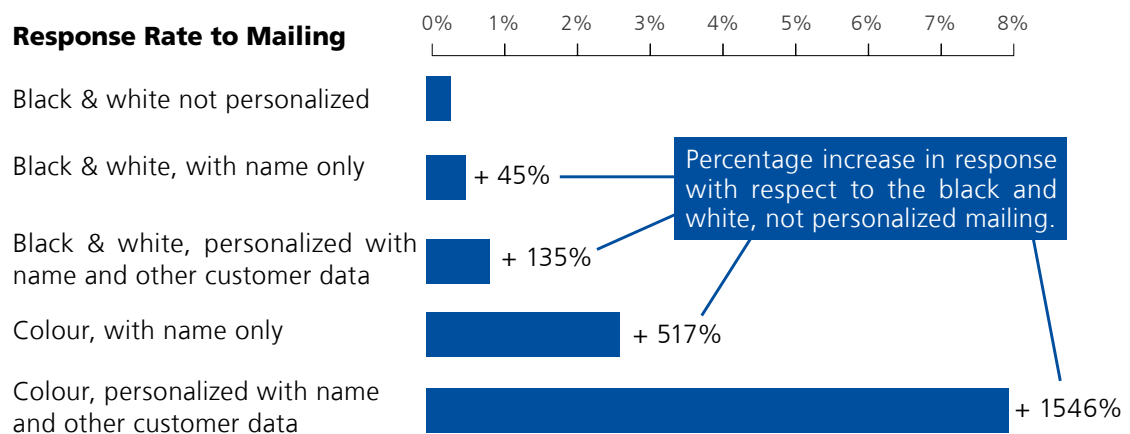
As seen below, a standard black and white mailing with no personalization other than the address label will tend to get a response rate of 1% or less (this percentage may initially be higher in developing and least developed countries, since recipients receive much less correspondence and tend to pay more attention to direct mail). However, some very basic personalization – adding only the name of the recipient in the printed brochure itself – was shown to get 45% more responses than the same black and white piece without the name. Adding more customer data in addition to the name increased the response by 135% over the un-personalized black and white brochure.

But using more sophisticated variable data printing, including dynamic data and/or customer-specific data in the brochure, pushed the response rates much higher. Dynamic data involves making different offers to different customers, like the Bermuda Tourism example on pp. 27-28, in which the dynamic data comprised the types of travel information included in the brochure according to the prospect's expressed interests. Dynamic data can include both text and images customized for each segment. Examples of customer-specific information are the Brazil mobile phone mailing on p. 31, which referred to the customer's past usage and billing data, and the Chrysler service mailing on p. 32, which showed a picture and the last date of service of the customer's own car.

According to the research, these highly personalized mailings, which depend on state-of-the-art variable printing technology, attracted a 1546% higher response than unpersonalized black and white, and almost three times the response of colour mailings with names only.

So sophisticated personalization can really boost the results of direct mail.

Personalization is more costly, but many experts claim that the lift in response rates almost always produces a much higher ROMI than in un-personalized direct mail. Again, the cost per item sent is not the correct metric for evaluating direct mail. The valid measurement is ROMI.



Source: Romano and Broudy

Actually, the ideal situation would be to combine the insightful segmentation of the example in Figure 50 with the personalization of using the customer's own data as shown in the bottom bar of the Romano and Broudy study in Figure 51, to seek even better results.

The following box summarizes the major points regarding variable data printing in the context of direct mail.



The importance of variable data printing for direct mail

Summary

- Some form of variable data printing is required for all addressed mail, even if it is simply producing address stickers.
- Modern desktop computers and printers place basic do-it-yourself personalization tools in the hands of companies whose small mailings may not justify contracting outside printers.
- True personalization goes far beyond addressing the mail.
 - The direct mail flyer or brochure can be personalized with the prospect's name within the printed piece itself.
 - In addition, changing the creative elements and the offer to better appeal to specific segments can be very powerful in increasing results, as proven by DM Drugstores in Figure 50.
 - For the absolute best results, dynamic data (which allows both text and images to be varied piece by piece in the printing process) should be employed, making references to a customer's past purchases or other aspects of the history of the customer's relationship with the mailer, and appealing to the individual customer's known tastes and interests.
- When dynamic data and customer-specific content are applied in direct mail, the response rates soar: in the study cited, full-colour mailings of this type produced 16 times more responses on average than an un-personalized black and white mailing, and seven times more than an un-personalized colour mailing.

Postal finishing services

Sometimes called **mail preparation, letter shop or mailing house services**, postal finishing prepares direct mail for posting. These functions might include any or all of the following tasks: addressing, labelling, trimming, folding, collating, assembling, inserting, enclosing, bagging, wrapping, metering, sorting by hand or machine, and the posting itself. This can be done for flat mail or dimensional mail.

Direct mail tends to be more complicated than most other types of business mail in terms of mail preparation. Many potential direct mailers and their direct marketing agencies will find special finishing services essential. Even mailers like banks and utilities that regularly send statements and bills, probably prepared mechanically, will often find that direct mail finishing is a different story altogether.

Of course, very large mailings will usually correspond to standard formats, permitting mechanized finishing. Some of today's machinery can even take a digital file with the variable information to be printed and, starting with a roll of paper, print the letter, create the envelope, insert brochures (sometimes varying which inserts are sent to different customers) and leave the output sorted by postcode or even by carrier

route or walk sequence. This is one-stop printing and finishing.

However, not only in developing and least developed countries but also in the developed world, individual direct mail campaigns will increasingly tend to be much less large-scale, and even more complex:

- *Data mining, micro-segmentation and lead generation techniques are helping marketers to reach the groups of clients most appropriate to receive the offer.* This means that some mailings, even from normally large mailers, may be of fairly low volume, maybe even just a few hundred pieces.
- *Eye-catching creative formats are employed to increase the probability that the recipient will open and read the mailing.* Unusually shaped mailings like the slice of pizza on page xyz are not machinable mail and must be finished manually, whether by bagging the piece in polythene, placing an address sticker by hand, or using another manual process.
- *Traditionally, for B2B mailings or high-cost B2C products and services, direct mailers have chosen to send dimensional mailings.* These are boxes or other three-dimensional pieces that may be chosen to call the prospect's attention to the message. They need to be assembled by hand.

- *As consumer goods companies adopt direct mail, sampling is becoming a more frequent activity.* Most often, the product samples must be manually joined to the accompanying literature, as in the bouillon cube example in Figure 33 on page 61.
- *Even the traditional five-piece direct mail package* is sometimes hand-assembled.

These and other formats require hand finishing and sorting. This may not be a problem in developing and least developed countries, where abundant hand labour is usually available. However, an important requisite of this type of finishing is accuracy. Many of these mailings are personalized but do not use window envelopes, so ensuring that each envelope or box contains the correctly personalized pieces is a must. Imagine businessman John Doe receiving an expensive dimensional mailing addressed to him, and opening it up only to find the materials inside are addressed to Mr. Harry Sample: slip-ups like this are expensive not only in terms of the cost involved, but also in terms of the mailer's image! So the quality of postal finishing is of paramount importance. As Coral Russell⁵⁶ of Mailbird in London says: "Letter shop work isn't difficult per se. Painting the Sistine Chapel is difficult – putting things into envelopes isn't. It is, however,

inherently complex and affords many opportunities for error."

Some printers offer finishing services; however, specialized companies have sprung up all over the world as direct mail grows. These vary from large firms with lots of sophisticated equipment, to small operations with only simple machines and mostly manual processes. It is not unheard of, even in developed countries, for direct mail assembly to become something of a home-based activity: for occasional jobs, some finishing companies employ part-time workers who stuff envelopes in their own homes. If quality control is sufficient, this is a cost-effective procedure that also produces a social benefit (a job source for unskilled labour).

Postal finishing is a vital process for direct mail, so if in any particular country the private sector is not providing this service, the Post should consider doing so. There are ample precedents: according to the UPU/DMAAB survey of direct mail products and services, 81% of Posts in developed countries offer postal finishing services, versus 56% in developing and least developed countries.

The principal aspects of postal finishing of direct mail are summarized in the box below.



The importance of postal finishing for direct mail

- Sometimes called mail preparation, letter shop or mailing house services, postal finishing is necessary for direct mail growth.
- Direct mail will tend to need more complex finishing than other types of business mail, often requiring manual processing.
- The accuracy of finishing work – especially with personalized pieces where the contents must strictly match the box or envelope – is vital.
- If the private sector does not offer sufficient, reliable and affordable finishing services, the Post should consider providing them.

Summary

Delivery, delivery standards and compliance

Home delivery. *It is not impossible to develop direct mail without providing home delivery, but it is obviously more difficult to make it grow, and it is surely impossible for it to reach its full*

potential. According to a study released by the UPU⁵⁷ in 2014, only 21% of the inhabitants of Africa receive home delivery, as compared with 61% in Arab countries, 80% in Latin America and the Caribbean, 95% in Asia-Pacific and 96% in industrialized countries.

Today, even in some developing countries, there are some customers who buy through catalogue or e-commerce and pick up their packages at the nearest post office. But, as we have already seen, most direct mail today in developing countries is not distance selling, but rather, communications from financial services providers, publishers, retailers, car makers and dealers, not-for-profit organizations, pharmaceutical laboratories, educational institutions, consumer goods marketers, computer and electronics manufacturers and sellers, tour agencies and operators, etc. These direct mailers, like distance selling/e-commerce marketers, can advance to a certain point without home delivery – provided that consumers regularly drop by the post office to pick up mail even if they were not expecting to receive anything in particular – but they will eventually need it for their marketing to continue to grow and prosper.

An interesting complication with home delivery in developing and least developed countries is that many if not most consumers do not have mailboxes (letter boxes or places for the letter carrier to leave the mail at the home or business). Some Posts have solved this problem by creating a product called “under the door mail”, in which the letter carrier slips letters and flat pieces underneath the door of the home. When the product is a parcel or a thick catalogue or magazine, however, it must be left on the doorstep if the consumer is not at home to receive it, and this presents some extra problems (bagging in plastic in case it rains, the possibility of people taking the piece away – maybe scavengers who make money by selling paper to the recycling plants, maybe just jokers...). In any case, in countries where this complication exists, it must be taken into account.

Many apartment buildings in developing and least developed countries do not have separate mailboxes for each apartment. So mail is left in a pile in the lobby for recipients to sort through when they come home, or – in the best-case scenario – is placed under the door or in front of the door of each occupant by the building’s caretaker. A similar situation exists even in upscale gated communities that do not let the letter carrier enter to do home delivery, but instead require all mail to be left at the entrance. Hopefully, in these cases, addressed mail is delivered to the recipient, but that is still much less certain than when the Post can place the items in individual mailboxes.

Unaddressed mail is much more vulnerable where no mailboxes exist and/or in apartment buildings

and gated communities without individual mailboxes. Addressed mail is less exposed to these factors and should be preferred in these cases.

Delivery standards. The good news about direct mail is that much of it is not terribly urgent, within reasonable bounds. Therefore, a standard of 85% in J+10 (meaning that 85% of the pieces will be delivered within 10 days of the date they were posted) might not be a problem for many outbound direct mailings. As mentioned earlier, the delivery standard for postage-paid response pieces needs to be much more exacting: around J+3 or less, if possible.

Having said this, most direct mail is, nonetheless, time-sensitive. Invitations to shows, sports events, conferences, courses and the like must arrive with sufficient lead time. The same is true of retail promotions around holidays or other special dates. A very common direct marketing tactic is to put a special offer in the mailing, along the lines of “Order by October 15 and receive a free set of cutlery” (or any other gift).

It is extremely important that the **quality of the delivery service strictly comply with the standard promised to the mailer**, whether it be first class (J+1 to J+3) or bulk mail (J+10 or more, as specified). The mailer is planning on having the Post deliver within the standard number of days. Otherwise, the recipients of the mailings will not have time to respond before the event date or the cut-off date for the promotion. The mailer will have paid for the mailing but will not receive enough responses because people received the offer too late.

Direct mail, like direct marketing in general, is **very results-oriented**. A professional marketer will measure the ROMI of each mailing. If the response rate to the mailing is low because all or some of the pieces arrived too late, the ROMI of direct mail will be below the marketer’s expectations. The result is that the marketer will stop using direct mail. It’s as simple as that.

Compliance with delivery standards is essential for direct mail. The good news is that usually the standards do not have to be too exacting; most mailings can be planned with adequate time to allow for standards like J+10, or even longer, if the client agrees. **But it is vital that the standard promised to the client be met.**

Delivery quality and the economics of direct mail. It is extremely important that Posts understand the economics of direct mail and



how it relates to delivery quality. Figure 52 below provides a simplified example that shows how economically important compliance with the delivery standard can be for a direct marketer. This illustration shows how delivery quality makes all the difference between the marketer making money or losing money on a mailing.

So, for most direct mail, if mailers plan for extended delivery standards like J+10, they can carry out their mailings profitably and they will use direct mail. But if the postal service does not meet the delivery standard, then the marketer will lose money on the mailings and will **not** continue to use direct mail.

Figure 52

How non-compliance with the delivery standard can cause the Post's customer to lose money

This simplified example looks at a typical mailing of 10,000 units. The mailer was aware of the 85% at J+10 standard* and posted the mailings accordingly. The offer made by the mailer ("Respond by October 15 and receive a free set of cutlery") had a validity date at J+13, giving the last recipients three days in which to respond.

In the table below, the only variable that changes between the columns on the left and the columns on the right is that in the first case the postal carrier complies with the delivery standard, while in the columns on the right, the carrier has a 20% non-compliance rate (in other words, instead of 15% of pieces not being delivered in 10 days, 35% of pieces were not delivered within that time frame).

Here we see clearly how the delivery performance of the postal carrier affects the direct marketer's pocketbook. Instead of earning \$720 on the mailing, the mailer loses \$855. The postal service's non-compliance with the delivery standard was to blame. So obviously, postal performance with respect to delivery standards is **fundamental** for direct marketers.

	Full compliance with delivery standards			20% non-compliance with delivery standards		
Costs of mailing	Units	Unit cost	Total	Units	Unit cost	Total
List, design, printing, finishing	10,000	\$0.30	\$3,000	10,000	\$0.30	\$3,000
Postage	10,000	\$0.30	\$3,000	10,000	\$0.30	\$3,000
Total costs			\$6,000			\$6,000
Deliveries received on time*	8,500			6,500		
Response rate 1.5%						
Total number of sales	128			98		
Profit per sale	128	\$52.50	\$6,720	98	\$52.50	\$5,145
Profit/loss on mailing			Profit: \$720			Loss: \$855
ROMI (return on marketing investment: 100% is break-even)			112%			86%

* 85% of all mail in this category will be delivered within 10 days of posting to meet the standard

Guaranteed and signature services. Most direct mail is bulk mail because cost is a major factor, as discussed further on in this chapter in the section on pricing (pp 104-106). But some direct marketers, keenly aware of the economic importance of on-time delivery and wishing to

guarantee the actual compliance of their postal services (whether official and/or private carriers) with announced delivery standards, have been willing to pay more to be given notification when their mailings are actually received. So Posts like Correo Argentino and the UK's Royal Mail (which

refers to the service as recorded delivery) have created special services in which a marketer's direct mail is barcoded upon receipt by the Post in order to identify each piece, and these codes are linked to the mailer's own identification number for each item. Delivery is made only against a signature taken from someone at the correct address. Items are not tracked, but periodic (sometimes daily) digitized delivery reports are provided to the mailer, and a final report is also made when delivery of the entire mailing is complete.

This service is much less costly than special delivery, certified or registered mail, which have shorter delivery standards, usually involve track and trace, and provide guarantees for delays, loss or damage. The expense of special delivery, certified and registered mail is not cost-justifiable for the vast majority of direct mailings, but the "recorded delivery" service is affordable for some.

For instance, direct marketers, especially but not solely in B2B marketing, often follow up their mailings with outbound telemarketing calls. Telemarketing can be very effective but it is expensive. So a service like recorded delivery is useful to these marketers, because they do not call mail recipients until they have confirmation from the Post that their mailing has actually been delivered. Wasting a telemarketing call by contacting the prospect before the mailing has been received is a costly error.

Recorded delivery is also sometimes used for magazine subscriptions (as seen earlier on in this Guide, the subscription business is a major direct mail sector), among other uses.

The most important points regarding delivery and compliance with delivery standards with respect to direct mail are summarized below.



The importance of delivery and compliance with delivery standards

- It is possible to develop direct mail in areas where home delivery is not available. However, the activity will only reach its true full potential with home delivery.
- Delivery quality – compliance with delivery time standards – is of utmost importance to the direct marketer because so many mail offers are time-sensitive. This does not mean that direct mailers necessarily need short delivery times; quite often J+10 or even longer is quite acceptable. But the marketer needs to be sure that delivery will occur within the stipulated period
- Delivery quality can make the difference between the marketer earning or losing money on a mailing.
- Delivery quality for direct mail is so important that some Posts have created special services, like recorded delivery in the UK. These services provide delivery confirmation information at a much lower cost than special delivery, express or registered mail.

Summary

Receiving and managing responses

Response and returned mail services

Processing responses and returned mail is an essential everyday matter for the direct marketer. Data entry is usually required to enter postage-paid, Freepost (see p. 92) and other responses into the marketer's system. Today, many of the responses will come by telephone or online; even when replying to a direct mail offer, many people

prefer the immediacy of the phone or the Web to place their orders. Order data may be partially pre-coded (barcodes or customer identification numbers), but much is usually typed in, such as credit card numbers and other account data for new customers. The exception is when the data is gathered online: customers type in their own information.

Obviously, response data is very valuable to the marketer. Most receive and process responses

within their own companies. But some choose to outsource these tasks to third parties.

Sometimes these responses require some kind of fulfilment. For instance, marketers frequently offer to send a free brochure to people who reply indicating their interest (like the Bermuda Tourism example in Figure 11 on pp. 27-28). Other times, the response may consist of sending a discount coupon or perhaps a sample or even the product itself to the respondent. The marketer may choose to outsource the receipt of the replies and/or the sending of these items to a third party, which could be the Post since many offer response services to their customers.

Returned or undeliverable mail (pieces that cannot be delivered owing to problems with the address, such as when the recipient has moved or the recipient's address was not correctly indicated on the piece) need to be processed to create a digital file to purge these registers from

the marketer's mailing list, so that no more mailings will be sent to these incorrect addresses. Here again, this task can be performed by the marketing company or a third party, perhaps the Post.

According to the 2013 UPU/DMAB survey of direct mail products and services, 69% of Posts in developed countries offer response services, as opposed to only 34% of Posts in developing and least developed countries. The same survey states that 73% of Posts in developed countries offer returned mail management, versus 37% in developing and least developed countries. It makes a lot of sense for the Post to provide these services because truncating the replies and returned mail at the Post is much more efficient than sending it on to the mailer or another third party for processing.

The table below summarizes the importance of response services in direct mail.



The importance of response and returned mail services

- Replies to direct marketing campaigns must be processed. This often involves digitizing the responses and sometimes also sending a fulfilment mailer, such as a brochure or a product.
- The registers of returned and undeliverable mail need to be purged from the marketer's mailing list to avoid wasting money by continuing to mail to incorrect addresses.
- It is very efficient for Posts to offer response and returned mail services because they save costs by truncating these pieces of incoming mail at the Post.

Summary

Parcel post and fulfilment services

Parcel post. Parcels, packets or small packages are involved in three types of direct marketing activities. One is when marketers send dimensional mailings – boxes and other three-dimensional pieces – as part of (usually) lead generation campaigns to call the attention of prospective customers to the mailer's proposal relating to high-unit-value products and services. Another is when marketers use direct mail to distribute samples of products, which sometimes qualify as letter mail but which are more often small packages. But the third represents by far the highest volume of parcels in direct marketing: the shipment of the merchandise that people order in response to distance selling/e-commerce

solicitations. Parcels generated by e commerce and direct response advertising add to the volume created by mail order, making the parcel business a very attractive and fast-growing opportunity for Posts.

Delivery of merchandise. Of course, **quality assurance (reliability) is fundamental** when it comes to the delivery of merchandise, whether to the home, an office, a P.O. box or poste restante. Lack of customer confidence that merchandise ordered by mail, by telephone or over the Internet will actually be delivered is a cultural barrier to the growth of mail order marketing and e-commerce in many developing and least developed countries.

Track and trace (T&T) is an excellent solution to increasing customer trust, and many Posts in developing countries offer the service. In T&T, each piece is given a barcoded identification number. Upon posting, and then at every change of hands until delivery to the final recipient, the barcode is scanned and electronically uploaded into a system that can be read by the senders and recipients of the item where the Post is able to make this information available on the Internet. It is easy to detect where items might eventually be diverted or delayed, because the previous holder is responsible until the next holder takes over in the delivery process.

Where it is not affordable for the Post to have scanners available on the spot (for instance, not every letter carrier will be given a scanner for the delivery of any T&T items he or she may carry for home delivery), the system is aided by removable barcode stickers included on the original T&T label. The barcode is printed on a detachable tab and the scanning and uploading into the system are done in batches when the letter carriers return at the end of their rounds. Naturally, the carriers also obtain the customer's signature, declaring that the item has been delivered in good order.

Since some senders and recipients in developing and least developed countries may not have access to the Internet, or in cases where the Post does not make T&T information available on the Internet, the Post provides information on the status of T&T items by telephone. The interested party calls the Post's customer service number and quotes the barcode number; the operator checks the system and tells the customer where the item is at that point in time.

T&T adds to the cost of the parcel service. However, in many cases the postage amount represents only a small percentage of the total cost of a mail order purchase, so it is not very significant. In other cases, the buyer is located in a remote area where certain merchandise is not readily available, and the customer is willing to pay extra postage for the convenience of obtaining the item. Most distance selling/e-commerce marketers pass these shipment costs on to the consumer.

So while it may be a costly service, T&T can be a welcome solution in areas where there is inexperience with, or a cultural distrust of, distance selling/e-commerce. The customer sees the quality and reliability of T&T as a benefit.

Fulfilment. The term "fulfilment" covers a series of essential procedures in the process of receiving replies and responding when a customer places an order in response to a direct marketing solicitation. Some companies do all their own fulfilment. Others outsource all or parts of the process to third parties, perhaps the Post.

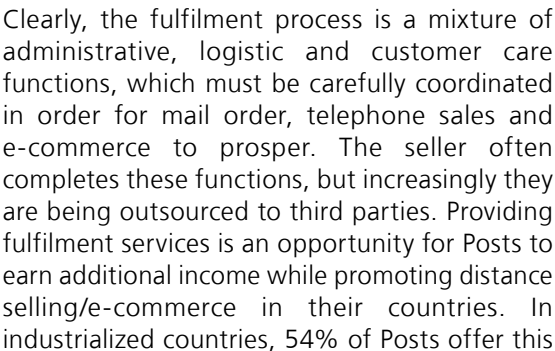
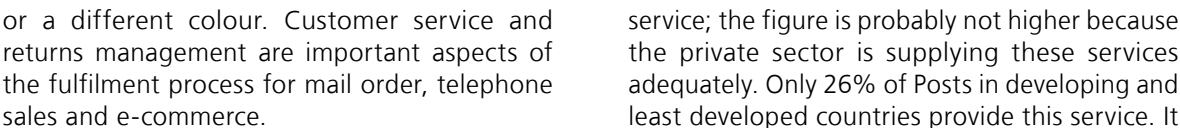
Figure 53, below, shows a simplified diagram of the fulfilment process. It begins with the receipt of the customer's order. Stocks must be checked to ensure that the merchandise requested is available. Then the means of payment proposed by the customer must be verified (see more on means of payment in the next section). If there is a stock or payment problem, the customer must be consulted to see if he or she is willing to wait, choose a similar item or adjust payment means.

Once everything is good to go, the transaction has to be entered into the company's system. Then the logistics aspects come into play:

- *Picking:* the product or products chosen by the customer must be obtained from the warehouse (the warehousing may be done by the selling company or may be outsourced to third parties; the Post may offer this service). Choosing the right products from the warehouse is called "picking". This procedure may be done by hand or by sophisticated robots.
- *Packing:* once all the merchandise in the order has been assembled, it must be packed and labelled securely for transport. Some orders may include gifts or products that have to be sent to different addresses, so multiple destinations have to be taken into account. Gift wrapping and enclosing a card from the sender may be part of the packing process.
- *Posting:* the parcels have to be mailed. This may involve pre-sorting according to postal code. The parcels must be transported to the Post, or the Post must be advised to come and pick them up. If track and trace is used, the process will be initiated at this point in time.



Customer service is the final step in fulfilment. In most cases, the merchandise will arrive on time and to the customer's satisfaction. But there might be questions or complaints. There might be a shipment or delivery delay and the customer will call to inquire as to the whereabouts of the merchandise. The customer might not be satisfied and might want to return the merchandise for a refund. Or perhaps the merchandise has to be exchanged for a different garment or shoe size



The issues regarding parcel post and fulfilment services are summarized in the table below.



The importance of parcel post and fulfilment services for direct marketing

- Parcels are involved in three types of direct marketing: dimensional mailings (usually for lead generation), sampling (often small packets), and distance selling/e-commerce.
- Distance selling may be by direct mail, telephone or e-commerce.
- Customer trust in delivery quality is fundamental for the development of distance selling/e-commerce. Offering a track and trace service for parcels is an effective and very credible way of ensuring delivery quality.
- The fulfilment process for direct marketing involves multiple interrelated procedures and must be very well coordinated. Many Posts provide fulfilment services to their own benefit in terms of additional income, while supporting the development of distance selling/e-commerce activities.

Means of payment

Payment is, of course, fundamental to the development of distance selling/e-commerce. The growth of credit and debit cards is certainly a great boon. However, the evolution of the huge mail order market in the United States and Western Europe in the late 19th and early 20th centuries was **NOT based on the availability of credit cards**. The proliferation of credit cards is a fairly recent phenomenon (starting more or less in the 1980s and continuing today in both developed and many developing countries). The ability to collect by credit or debit card, of course, is a tremendous advantage for mail order, telephone sales and e-commerce.

But the distance sales business throughout the world was created on the basis of prepayment or cash payment – by cheque, bank transfer, or postal financial services such as money order or payment upon delivery of the merchandise, known as **cash on delivery (COD)**.

The catalogue industry grew by charging much lower prices than rural general stores for the same merchandise, and by offering products not available locally. Achieving customer trust was fundamental, so COD was the principal means of payment: customers could pay when they received the product and could examine its quality. The other reassurance that cataloguers have traditionally provided to customers is that if they are not fully satisfied, their money will be refunded.

Even in this century, in the mail order and e-commerce business in Germany and Japan,⁵⁸ both highly developed countries, credit card

payments are the minority, with the majority of transactions being made by postal money order, bank transfer and COD.

Today, in Argentina, a developing country with a Western culture where about a third of households have credit and debit cards,⁵⁹ one of the country's largest catalogue sellers reports that the means of payment for its sales are still 4% prepaid (money orders and the like) and 35% COD – meaning that only about 60% of sales are by cards. This proportion may very well be due to the cataloguer's preference for credit or debit card payments and its efforts to get consumers who respond by telephone to agree to pay by card.



Argentinean experts, including the cataloguer mentioned, recognize that COD does present some problems. The customer may have placed the order on impulse, so it is not uncommon for merchandise to be refused when it arrives because the buyer has changed his or her mind. The customer may not have money on hand or may not be home when the parcel is delivered. Some customers will then not go to the trouble of going to the post office during opening hours to pick up their parcels. All of these factors can add to the costs of providing COD services, and they must be reflected in the prices charged by the Post for this service.

It is convenient, but not essential, for people to have credit or debit cards in order for mail order to develop. And it is very helpful for the Post to provide money orders and COD, even in those countries where credit cards are fairly common.

The issues surrounding means of payment for distance selling/e-commerce are summarized below.



The importance of means of payment for distance selling/e-commerce

- The most streamlined way for a company to charge customers for their distance/online purchases is by credit card.
- However, the growth of mail order in those countries where it is today an important business was not based on credit card payments.
- The COD payment method was instrumental to the success of the early catalogue industry because it overcame the factor of customer mistrust. However, this method does have some drawbacks, as detailed above.
- Even today, in a country as highly developed as Japan, half of all catalogue purchases are paid for by postal mail order or bank transfer.
- To foster the growth of distance selling/e-commerce, it is extremely helpful for the Post to provide postal financial services like money orders and COD.

Pricing for success in growing direct mail



Direct mail volume is price-sensitive. Relatively small variations in the cost of postage can make the difference in a company's decision on whether to use direct mail. Returning to the example used in the delivery standards section above on pp. 96-99, what would happen if the Post raised its price by 25% from \$0.30 to \$0.375 per item? As seen in Figure 54a below, the mailer would decide not to do the mailing, because it would forecast a loss on the initiative.

The table in Figure 54b, using this same example, shows how raising postal rates may discourage this hypothetical direct mailer and how lowering them may increase the attractiveness of direct mail as a sales channel for direct marketing. The figures refer to the costs carried by the marketer, in relation to the postage prices practised by the local postal service.

It is essential that Posts understand that most direct mailers and potential direct mailers are private-sector enterprises that respond to the profit motive. This *does not at all affect* the fact that, for most developing and least developed countries, the development of direct mail can contribute substantially to the nation's economic growth and higher standards of living for the local population.

Although some direct marketers sometimes choose to use the more expensive postage options for some low-volume and very special mailings, the lower the rate for regular direct mail (and it

must be considerably lower than for normal first-class mail), the more direct mail there will be, and the better off the Post and the country will be from the economic activity that it generates.

So, pricing is fundamental. Postal services, like most public utilities, tend to have relatively few variable costs, so discounting rates for direct mail should not be a major problem from the economic standpoint.

However, some Posts encounter difficulties in discounting the prices of direct mail because it creates apparent price discrimination among users: their postal charters call for equal treatment for all customers. The answers that many Posts have found to this restriction are:

- 1) Creating different prices for different delivery standards. Bulk-rate delivery standards like J+10 are available only for high-volume identical mailings and – as mentioned before in this Guide – when the direct mailer plans accordingly, standards of J+10 or even longer can be quite acceptable.
- 2) Establishing discounts for mailers that prepare their mail for maximum machinability, that is, ensuring that all the pieces can be easily processed by the Post's automated sorting machinery. This includes the use of normalized addresses, correct assignment of the postal code, correct placement of other elements on the face of the envelope, correct colours of envelopes and type, use of materials (such as paper envelopes rather than plastic ones) that are adequate for machine sorting, etc. This suggestion is only valid, of course, if the Post has automated sorting equipment.

Figure 54a

Pricing	Full compliance with delivery standards			20% non-compliance with delivery standards		
	Units	Unit cost	Total	Units	Unit cost	Total
Costs of mailing						
List, design, printing, finishing	10,000	\$0.30	\$3,000	10,000	\$0.30	\$3,000
Postage	10,000	\$0.30	\$3,000	10,000	\$0.375	\$3,750
Total costs			\$6,000			\$6,750
Deliveries received on time*	8,500			8,500		
Response rate 1.5%						
Total number of sales	128			128		
Profit per sale	128	\$52.50	\$6,720	128	\$52.50	\$6,720
Profit/loss on mailing			Profit: \$720			Loss: \$30
ROMI (return on marketing investment)			112%			99%

* 85% of all mail in this category will be delivered within 10 days of posting

Figure 54b

Sensitivity of Direct Mail to Postage Rates	
Per item price of postage	Profit / loss for mailer
\$0.450	Loss: \$780
\$0.425	Loss: \$530
\$0.400	Loss: \$280
\$0.375	Loss: \$ 30
\$0.350	Profit: \$220
\$0.325	Profit: \$470
\$0.300	Profit: \$720
\$0.275	Profit: \$970
\$0.250	Profit: \$1,220
\$0.200	Profit: \$1,720

- 3) Establishing discounts for mailers that perform certain postal operations themselves, such as pre-sorting the mail by postcode or even by carrier walk sequence, thereby reducing the cost to the Post of processing their mail and justifying a lower postal rate.

However the Post decides to implement it, differential pricing for direct mail is a must. But the Post must still ensure that the postage rates cover the costs of providing the service.

The vital issue of pricing is summarized below.



The importance of pricing for the development of direct mail

- The volume of direct mail is **sensitive** to the price of postage.
- For direct mail to prosper, postage costs must be set below rates for regular letter mail.
- Many Posts operate under a postal charter that requires them to cost-justify any price differential for direct mail. Two common justifications are the establishment of different delivery standards and requiring pre-sorting and/or other pre-processing tasks that represent cost savings for the Post.
- Posts must still ensure that the postage rates cover the costs of providing the service.

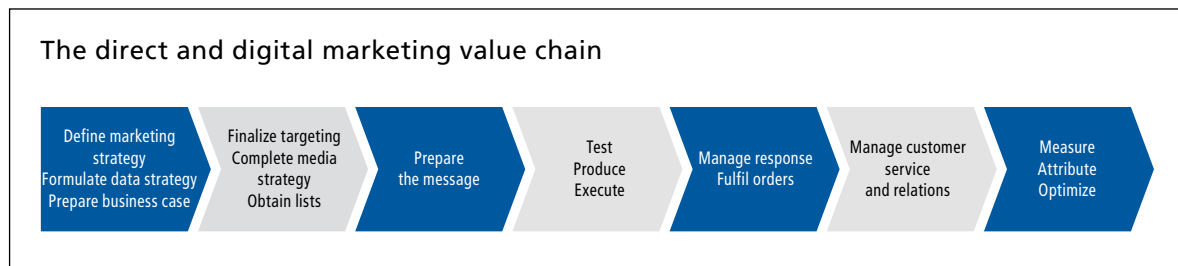
CHAPTER 6 – PLAYERS IN THE DIRECT AND DIGITAL MARKETING VALUE CHAIN AND OPPORTUNITIES FOR COOPERATION

With current desktop computer technologies for print and html, and help pages from Google, Facebook and others, many marketers – especially small companies – can produce some acceptably good-looking direct marketing messages “in house”. However, once past the testing stages, most marketers will decide to contract professional services to carry out their campaigns, and various types of suppliers will be called in to assist in the different stages.

The value chain shown below in Figure 55 and further explained in Figures 56a to 56g is seen

through the eyes of the client – the direct and digital marketer. The figures show the steps the marketer must take in the campaign process and explain what types of providers may assist at each point. Posts can participate in many – and perhaps all – steps, providing the needed services to their customers. However, cooperation with third party vendors should definitely be considered in areas where the Post lacks the know-how to provide the best quality service or is unable to do so profitably at prices that will encourage the growth of direct and digital marketing in the country.

Figure 55



The following figures (56a to 56g) show the seven steps of the value chain, identify which third party players are or can be involved in producing value, and put forward ideas on how

Posts can cooperate with them in their countries. The steps are analyzed from the Post’s point of view, but always seeing the business through the eyes of the customer, meaning the marketer.



Defining the marketing strategy, formulating the data strategy, and preparing the business case

First of all, if the marketer has experience in conducting direct marketing campaigns for the product or service in question, the analytical information from those campaigns must be taken into account. This is equivalent to bringing the final step of the value chain (Measure – Attribute – Optimize) back into the planning stage to add great value to new campaigns. **Learning from experience, and consequently achieving**

continual improvement, is a basic premise of direct marketing.

At the stage of defining the marketing strategy, formulating the accompanying data strategy, and preparing the business case for a direct marketing campaign, various types of players can be involved in assisting the marketer, including trade associations such as direct marketing associations, business consultants, marketing researchers, specialized direct marketing agencies, and information technology (IT) suppliers and consultants.

Define marketing strategy
Formulate data strategy
Prepare business case

Direct marketing associations. Part of the mission of this type of trade association is to promote direct marketing in their respective countries. This includes disseminating direct marketing, as well as educating and training potential users and players in the value chain. This role is important for increasing awareness of the benefits of direct marketing and its component media, and for training people to use it. Less experienced marketers will turn to such associations for guidance on how to get started on direct and digital marketing. More experienced marketers will participate in associations to stay up to date on the latest developments and to network with colleagues to share experiences and benchmark results.

Consultants; researchers; and direct, digital and integrated marketing agencies. These experts specialize in developing strategies and projecting the expected results of direct marketing campaigns. Both less experienced and veteran direct and digital marketers may rely on advice from these specialists for devising their strategies and articulating their business cases. It should be clarified that traditional advertising agencies unversed in direct and digital marketing are usually not the best choice for advising on campaigns in these areas. However, many traditional agencies are increasingly

incorporating direct and digital know-how, and some have become integrated marketing agencies (agencies that can plan and create for the full gamut of media – online and offline, direct and non-direct).

IT suppliers and consultants. As marketing becomes ever more data-driven, it is important for marketers to plan how data will be obtained, processed, analyzed and utilized in their communications campaigns. IT consultants and suppliers should be brought in at the early stages of campaign planning to advise on what data platforms will best serve each company's marketing needs. Some of the technologies that may be required include analytics platforms, data management platforms (DMPs), campaign management systems, customer relationship management systems, programmatic buying and attribution management. Beginners do not require this type of support. It is fairly sophisticated and will be demanded by moderately and highly experienced direct and digital marketers who are managing high volumes of marketing communications.

Ways in which Posts can cooperate with these players to further the development of direct and digital marketing are outlined in Figure 56a, below.

Figure 56a

First step in the direct and digital marketing value chain:

Define marketing strategy, formulate data strategy, prepare business case

Players that can be involved	Roles of the players	How the Post and the players can cooperate
Direct marketing associations (DMAs)	<p>Promote direct marketing among advertisers. Train them in the use of direct marketing.</p> <p>Provide a catalogue of trusted providers of consultancy, research, agency and IT services.</p>	<ul style="list-style-type: none"> • Posts should encourage the formation of a DMA in those countries where none exists. • Where a DMA does exist, the Post should be a proactive member and a supporter of association activities and initiatives. • The DMA can draw up lists of reputable suppliers of services in the value chain, which the Post can distribute to customers. • The Post can promote training opportunities for small businesses and their advertising suppliers (small general and digital advertising agencies, freelance graphic and digital designers and copywriters, etc.) through the DMA.

Business and IT consultants; marketing researchers; and direct, digital and integrated marketing agencies	Assist the marketer in developing a strategy, constructing the business case, and evaluating the data-related infrastructure required for each type of campaign.	<ul style="list-style-type: none"> • The Post can encourage customers to contact these experts. • The Post could draw up a list of reputable consultants to be distributed when a direct or digital marketing customer asks for references, or the Post could do this through the local DMA. • The Post could organize seminars for customers and potential customers and invite these experts to give presentations.
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Finalizing the targeting, completing the media strategy, and obtaining the lists

There are various players that can intervene when targeting, choosing media and obtaining lists: media agencies, digital ad networks, programmatic buyers, legitimate list brokers and list owners seeking to share their lists, list enrichment and hygiene experts, DMAs, and geomarketing specialists.

Many Posts themselves engage in supplying lists for direct and digital marketing, particularly for direct mail. This activity is recommended for Posts, should they choose to become involved. However, Posts should be aware that some of

the address management data that they legally use to fulfil their role as distributors of correspondence may not necessarily be usable for list sales to third parties, depending on national legislation. Before considering supplying address management data for the marketing list business, the Post should review applicable laws and ethical considerations (perhaps it would be necessary in some cases to obtain the data subject's consent) prior to selling such lists.

Figure 56b below shows how Posts can join forces with these players to promote direct and digital marketing.

Finalize targeting
Complete media
strategy
Obtain lists

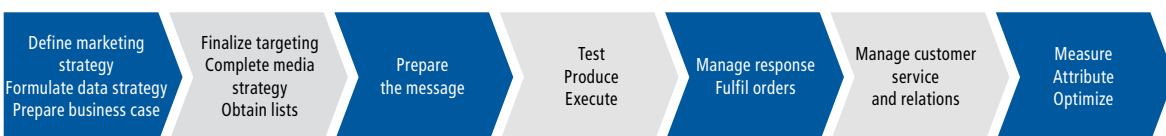
Figure 56b

Second step in the direct and digital marketing value chain:
Finalize targeting, complete media strategy, obtain lists

Players that can be involved	Roles of the players	How the Post and the players can cooperate
Media agencies (mainstream and digital), including programmatic buyers	This type of agency originally sprang up in the 1970s and 1980s with the principal objective of buying traditional advertising media (TV, radio, print, outdoor), because by combining the volume of various advertising agencies they could negotiate lower prices from the media. As they came of age, these agencies added to their regular offerings: consumer and media research for choosing the best media, sophisticated computerized systems for simulating the results of	<ul style="list-style-type: none"> • The Post should ensure that these media take into account the products – such as addressed and unaddressed direct mail, micro-geographic segmentation capabilities, etc. – that it offers, to ensure that they are taken into consideration by the media agencies when they recommend media to their clients. • The Post can also use a media agency to buy media in cases where the Post is selling cross-channel campaigns in turnkey fashion to a postal customer.

	different media mixes for each campaign, and monitoring results. With the advent of digital advertising, media agencies specializing in planning and buying digital ad inventory came into being. Today, many are offering the programmatic approach to online media buying and some have advanced into attribution measurement.	
Digital advertising networks	A subset of the previous point, digital advertising networks merit separate mention because they are so readily visible and available to SME advertisers who buy from them directly online. The best known of these networks are run by Google, Yahoo! and Microsoft, although there are many others. They bring together inventory (ad spaces available for sale) and audiences from diverse sites on the Web, to enable marketers to buy online ads faster, more efficiently and at a lower cost. Some networks focus on reach and price, while others aim at guaranteeing audience demographics and quality. Facebook is not a network, because it does not sell inventory on other sites, but its own huge reach and its demographic, behavioural and attitudinal segmentation prowess make it another good buying option.	<ul style="list-style-type: none"> • It is unlikely that these specialists would be interested in including the Post's products within their offerings at this time. However, the Post might very well want to consider using them for buying media for postal customers.
Legitimate list brokers	Reliable list brokers can compile lists or obtain them from legitimate list owners that wish to market the names. Then the broker can rent the names and addresses to trustworthy marketers. The lists will include names, postal addresses, phone numbers and/or e-mail addresses. In the case of B2B lists, in addition to the company name, the names of executives and their job titles will often be included.	<ul style="list-style-type: none"> • Posts can encourage customers to contact legitimate list brokers. • A list of reputable list sources can be drawn up for distribution in response to an inquiry from a postal customer, or the Post could do this through the local DMA. • Posts can make commercial arrangements with legitimate list brokers to acquire or rent lists from them for resale or rental by the Post to its customers.
List owners that are interested in sharing or renting	Companies that possess their own lists may be interested in renting them to other direct marketers. This is a very common practice in the catalogue sector and magazine subscription business in developed countries.	<ul style="list-style-type: none"> • Posts can encourage customers to contact companies interested in sharing lists. • Posts can make commercial arrangements with list owners to acquire or rent lists from them for resale or rental to postal customers..
List owners that are interested in co-marketing with other companies	Some companies do not want to sell or rent their lists, but would be willing to engage in co-marketing with other direct marketers that would like to make offers to their customer base. This involves	<ul style="list-style-type: none"> • Posts can encourage potential mailers to contact companies interested in carrying out co-marketing.

	having the list owner send out a mailing or e-mailing, or make outbound telephone calls (all paid for by the co-marketing company) to enable that company's offer to reach their customers. For instance, in Latin America, credit card companies and banks often make their customer bases available for co-marketing.	
List enrichment and hygiene experts	These firms offer address standardization and normalization, de-duplication, and updating services, as explained in Figure 48. They also offer the types of data enrichment and enhancement discussed on page 85	<ul style="list-style-type: none"> • These services are essential for effective direct communications (direct mail, e-mail and telemarketing). If they are not available in the country, it is essential that the Post provide them, either on its own or through a third party.
Direct marketing associations	The presence of other companies interested in developing the direct marketing industry in the country makes the DMA a good place for a cooperative effort to compile names and addresses through a lifestyle survey.	<ul style="list-style-type: none"> • Posts can join forces with their national DMAs and/or their members to conduct list-compilation surveys • Collaborating on this type of survey can take advantage of synergies: companies interested in obtaining data for their industries can provide prizes at no cost; others can sponsor the survey to pay for design, printing and data capture; the Post can provide distribution..
Geomarketing experts	The same types of companies that create geographic information systems (GISs) or apply them for business use can also provide the segmentation information required for unaddressed mail.	<ul style="list-style-type: none"> • Posts can cooperate with GIS providers to define geographic segmentation areas for unaddressed mail (or even addressed mail, telemarketing and e-mail, if another list supplier can provide the names and contact data of the residents).



Preparing the direct and digital marketing message

This is what is called the “creation” of the message; it involves design and copywriting. It is at this stage that advertising professionals come into play. Figure 56c below shows different options open to direct and digital marketers for creating their messages. The most professional of these are the specialized direct and digital marketing agencies, as well as the general advertising agencies. However, in some developing and least developed countries, specialized agencies may not exist. As a result, many marketers must turn to general advertising

agencies to create their mailings. This has some drawbacks, as described below, principally the fact that many of these agencies are not familiar with direct and digital marketing and might tend to put a print advertisement into an envelope or onto the Web – which is certainly not the same as creating a professional direct or digital ad. Then there are the freelance creatives and the printers who supply design. Again, these suppliers are often not trained in how to create an effective direct or digital piece. Finally, there are do-it-yourself options available online (Google’s Display Network is one) that instruct marketers on how to create their own display ads. So there are opportunities for the Post to

Prepare
the message

cooperate with all these players to get the necessary know-how out into the market and at the service of potential direct and digital marketers. Some Posts even offer creative to their customers.

In digital messages, people click on hyperlinks included in e-mails and digital ads that take them to landing pages, which must not only be

designed but also programmed to capture the data of respondents, often in an online form requesting the person to fill out his or her contact data. To register and tally the responses, a web programmer's services will be required. Most agencies offering digital creative will have programmers. Programmers can also be hired independently by marketers who choose the freelance creative route.

Figure 56c

Third step in the direct and digital marketing value chain:

Prepare the message

Players that can be involved	Roles of the players	How the Post and the players can cooperate
Specialized direct and digital marketing agencies	These specialists know how to create direct and digital ads to obtain optimum results. This step involves the so-called "creative" side of the preparation of the message. Remember the advice of Guardia Massó (Figure 43): The list or the medium (which is in the previous step of the value chain) and the offer (which is part of step one) are more important than the creative in determining the success of the campaign. Luckily, a good specialized direct or digital marketing agency will be aware of all three factors and will deliver optimum advice regarding the list and offer, and will provide optimum creative for the direct or digital medium.	<ul style="list-style-type: none"> • Posts can encourage customers to contact these experts. • A list of reputable agencies could be drawn up to be distributed when a postal customer asks for references, or the Post could do this through the local DMA. • The Post could organize seminars for customers and potential customers and invite these experts to give presentations. • If postal regulations permit, particularly in countries where the Post has private-sector competitors who will be doing this, the Post might want to consider postal revenue-sharing with agencies, which are potential promoters of direct mail volume. • Posts can provide agency services themselves if they deem it important for the growth of direct and digital marketing in their markets.
General advertising agencies	Only some general advertising agencies will have direct and digital marketing divisions or be very experienced in these matters, in which case they are like the specialized agencies described above. Most general advertising agencies will not know enough about the list and the offer and may not be experienced in designing effective direct and digital creative, because they are probably not results-oriented and do not measure their campaigns. However, even	<ul style="list-style-type: none"> • Posts could create training opportunities for general advertising agency personnel to learn about direct and digital marketing (although one obstacle may be the fact that these agencies are often unaware of the need for such training). • Posts should approach these agencies with a view to promoting direct and digital marketing together.

	<p>inexperienced agencies may very well have important customers who want to try direct and digital marketing. It is important to take advantage of this opportunity and to ensure that customers new to direct and digital marketing do not become disillusioned because they did not have the correct agency assistance.</p>	
Freelance graphic and web designers and copywriters	<p>These suppliers are much less expensive than formal agencies, and many advertisers are attracted to them for this reason. It is much less likely, however, that they will be aware of how to do direct and digital correctly. So the risk of marketers becoming disappointed with the results of their direct mail efforts is higher when they use these inexpensive suppliers.</p>	<ul style="list-style-type: none"> • Posts should approach these agencies with a view to promoting direct and digital marketing together.
Printers	<p>Some marketers, especially in developing and least developed countries, do not even use their own designers, but instead ask their printers to design their direct mail. Again, unless these printers are trained in direct mail, the risk of the marketers having poor results from their mailings and becoming disillusioned with direct mail exists.</p>	<ul style="list-style-type: none"> • Posts should create training opportunities for printers who want to develop their direct mail business.
Do-it-yourself solutions	<p>In the introduction to Chapter 6, we said that some SMEs use desktop publishing to create their direct mail pieces. It is also possible for companies to create display ads on their own, with the aid of websites such as Google Ads Display Network. Do-it-yourself is a valid option (companies as important as Apple⁶⁰ have brought much of their marketing communications in-house).</p>	<ul style="list-style-type: none"> • The inherent danger in home-made solutions is that inexperienced marketers might devise poor strategies and create ineffective ads that end up having unsatisfactory results, and then blame it on the discipline of direct and digital marketing and not on their faulty execution. Posts should be aware of this danger and advise their customers to at least seek professional consulting on creative, if they decide to go the do-it-yourself route!
Web programmers	<p>A specialist must programme online response forms that need to be filled in by respondents to e-mails and digital ads. Professional suppliers of creative will have their own programmers and will include this aspect in the service they provide.</p>	<ul style="list-style-type: none"> • Customers who decide to try digital marketing using a freelance or do-it-yourself creative will need to programme their landing pages/ response forms. The Post can use its own web programmers or have independent programmers on call so that it can offer this service to customers itself or recommend suppliers.



Test
Produce
Execute

Testing, producing and executing the campaign

Usually, the marketer and the suppliers participating in the campaign (consultants, agencies, distribution services, etc.) will be able to test campaigns without additional help, with the exception of the statistician, who must determine the test design and sample sizes. Specialized agencies should provide these statistics, but general agencies and the freelance and do-it-yourself options will not, so the marketer will have to source the statistics elsewhere.

Display ad, telemarketing, e-mail, social marketing and mobile marketing campaigns are basically produced in the creative stage (step 3 of the value chain). This is not true of traditional advertising media and direct mail campaigns. Radio and television campaigns must be recorded

or filmed by producers. Newspaper, magazine, outdoor and direct mail campaigns require printing. Direct mailings require finishing.

In terms of the execution, mass advertising will be sent to the media by the agencies involved and display ads will be sent by the agency or the marketer, but direct mail must be distributed physically and e-mails must be sent through e-mail service providers (ESPs) to avoid spam filters.

At this stage of the value chain, the main players are statisticians, audiovisual producers, printers (two different types), finishers (also known as mail preparation houses or letter shops), and ESPs.

The table in Figure 56d shows how Posts can cooperate with these suppliers.

Figure 56d

Fourth step in the direct and digital marketing value chain:

Test, produce, execute

Players that can be involved	Roles of the players	How the Post and the players can cooperate
Consultants and statisticians	Determine the design and sample sizes for valid tests of marketing campaigns.	<ul style="list-style-type: none"> For those marketers not using agencies that provide this service, the Post could offer it or simply refer marketers to qualified statisticians
Audiovisual producers	Record, film and edit radio, television and video marketing messages.	<ul style="list-style-type: none"> The Post will probably not often be called on to help in audiovisual productions because most marketers using these techniques will already be assisted by agencies that provide the service. But the Post could have contacts with qualified producers (perhaps those it uses for its own purposes) who could be recommended should a customer be interested.
Offset printers	To date, all unaddressed and most addressed mail has used traditional offset printing processes, which offer good quality and are less expensive than the new digital technologies when the	<ul style="list-style-type: none"> Posts should create training opportunities for printers who want to develop their direct mail business.

	number of pieces to be printed is 700–1,000 or more.	
Digital/variable data printers	Printers who have adopted these technologies tend to be more savvy in direct mail because it is one of the principal uses for this type of printing. As mentioned earlier in the section on variable printing (pp. 92-95), the response rate, even for high-volume mailings, is so much greater for personalized messages that the increased cost of digital printing could more than pay for itself in terms of direct mail ROMI.	<ul style="list-style-type: none"> • Posts should share training and brainstorming opportunities between their own personnel and digital printers who want to develop their direct mail business. • Posts should encourage their customers to contact these digital printers for ideas and assistance in producing direct mail campaigns.
Finishers	Only the largest direct mailers deal directly with finishers or carry out these processes in-house. Usually agencies, printers or Posts take care of this procedure – often subcontracting it to a specialized finisher – and include the cost in their price.	<ul style="list-style-type: none"> • Many Posts may want to do the finishing tasks themselves. Others may prefer to have one or more finishers as suppliers, to outsource these tasks to them or recommend them to customers who wish to contract the service directly.
Postal distribution	Carrying direct mail to the corresponding home or business address or P.O. box number.	<ul style="list-style-type: none"> • This is one of the Post's core businesses and the Post will usually want to execute distribution itself, without involving other suppliers.
E-mail service providers	These suppliers provide e-mailers with analytics (detailed data on responses that help optimize future campaigns) and – above all – increase the probability of avoiding spam filters. Read more in Figure 17.	<ul style="list-style-type: none"> • The Post could become an ESP, contract the services of one when the Post sends customer e-mails, or possibly recommend a list of ESPs to customers who inquire.
Media agencies and ad networks	Just as media agencies and ad networks will assist the marketer in targeting (see Figure 56b above), they will also execute the campaign by sending the ads to the corresponding media for publishing/airing.	<ul style="list-style-type: none"> • The Post may contract their services for customer campaigns that the Post is executing, or simply recommend them to customers.



Manage response Fulfil orders

Managing responses and fulfilling orders

Although many direct and digital marketers will wish to handle response management on their own, some will choose to outsource it to professional contact centres that can handle mail, telephone and online responses. Warehouse management and order fulfilment, on the other hand, is a complicated matter (remember picking

and packing from p. nnn?), and all but the most experienced and sophisticated distance sales companies and e-tailers will probably consider using a third party supplier for these services. The delivery of parcels for distance/online sales is also part of this step in the value chain. In Figure 56e, ways in which the Post might want to cooperate with these specialists are suggested.

Figure 56e

Fifth step in the direct and digital marketing value chain:

Manage responses, fulfil orders

Players that can be involved	Roles of the players	How the Post and the players can cooperate
Contact centres	Receive customer responses by mail, telephone or online. Authorize credit card charges, process cheques and money orders. If the system permits, verify and reserve stock. Register transaction in mailer's system. Perform customer service on questions, complaints or returns by telephone or e-mail.	<ul style="list-style-type: none"> Many direct marketers, e-tailers and Posts choose not to handle responses to direct and digital marketing campaigns themselves. Contact centres are specialists in receiving and processing responses by telephone and e-mail. E-commerce sales are usually handled automatically online, but sometimes require e-mail or telephone contacts that can be made by the marketer or an outside contact centre. The Post may want to provide these services itself (although they are highly specialized) or it may prefer to identify the highest quality contact centres and recommend them to its customers.
Warehousing specialists	Store merchandise and perform picking, packing and posting.	<ul style="list-style-type: none"> Some direct and digital marketers, especially large catalogue and e-commerce companies, will do this themselves. However, less expert sellers and smaller cataloguers will want assistance. These are very specialized tasks. Nevertheless, some Posts do offer them and see this type of logistics service as an important new business opportunity. The alternative is for the Post to identify the best private suppliers and recommend them to customers.
Parcel post	Deliver the merchandise ordered.	<ul style="list-style-type: none"> Those Posts that offer parcel post services will surely want to reserve this business for themselves Posts that do not offer parcel post should consider an agreement or alliance with a reliable provider.

		<ul style="list-style-type: none"> • In some instances, the delivery standards and/or prices for parcels may not be fast enough or cost-effective enough for some sellers (particularly some e-commerce businesses) and the Post might want to form an alliance with a third party for these parcels.
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Managing customer service and relations

Customer relations is a core activity for all companies. Many will decide to handle this aspect of their business themselves, but some

will choose to outsource. Cooperation in this step of the value chain is described in Figure 56f.

Manage customer service and relations

Figure 56f

Sixth step in the direct and digital marketing value chain:

Managing customer service and relations

Players that can be involved	Roles of the players	How the Post and the players can cooperate
Warehouse specialists	Handle merchandise returned for exchange or refund.	<ul style="list-style-type: none"> • This is one of the most complex tasks in distance selling/e-commerce. Larger and more experienced catalogue and e-commerce companies will often handle this on their own. Smaller and start-up operations may look to outsource it. Most Posts, if requested to provide it, will prefer it to be done by a specialized third party, unless it is a one-time business involving few stock-keeping units (SKUs). So the opportunities for cooperation for the Post are important here: find a trustworthy supplier with good service quality to recommend to customers.
Contact centres	Ongoing customer service is a key activity for distance sellers and e-tailers in particular. Some have their own contact centres. Others prefer to outsource.	<ul style="list-style-type: none"> • Most Posts will not want to intervene in this aspect of customer care for their clients. But it may be helpful if the Post identifies the best suppliers in the country and recommends them to customers who require this service and are not (or not at present) prepared to do it themselves. However, Posts that decide to run their own contact centre ventures may pursue this business actively.



Measure
Attribute
Optimize

Measuring, attributing and optimizing results

Direct and digital marketing must, above all, be accountable for results (ROMI). So no campaign value chain is complete without the seventh step, which also ties back into the first step as the results and insights derived from current campaigns feed into the planning of future campaigns as part of the direct and digital marketing process of continual improvement.

With media becoming more fragmented, and campaigns becoming not just cross-channel but multi-channel, marketers require help in managing all the data. And so, the so-called “marketing platforms” were born. Consultant Scott Brinker⁶¹ has charted nearly 2,000 different companies that provide software for marketers, many of them open-source projects (meaning that they are

available at no cost to any party that wishes to use them). The number of providers has risen dramatically, from just 100 in August 2011, to 1,876 in January 2015!

These platforms assist in the performance of many marketing functions. Perhaps of most interest in the context of the seventh step in the direct and digital marketing value chain are the software platforms that aim to optimize results by measuring and maximizing ROMI across channels; attributing outcomes to each marketing experience, regardless of where the interaction with the customer occurred; and supporting data-driven decision making at the speed of marketing.⁶²

Figure 56g explains how Posts in developing and least developed countries might want to cooperate with these suppliers.

Figure 56g

Seventh step in the direct and digital marketing value chain:

Measure, attribute, optimize

Players that can be involved	Roles of the players	How the Post and the players can cooperate
Suppliers of marketing platform software	<p>These platforms provide a common way of administering customer experiences across channels, including managing operations, measuring responses and results, and attributing results to each channel involved.</p> <p>Many marketers operate their own platforms, and the trend is in that direction, so as the Post's customers become more experienced in direct and digital marketing, they will acquire their own marketing platforms. However, today, many may rely on other suppliers like consultants and agencies to analyze their campaigns and suggest optimization opportunities for future campaigns.</p>	<ul style="list-style-type: none"> The Post should become acquainted with local suppliers of marketing platforms and ensure that they are taking direct mail into account as one of the marketing channels in their software. The Post can also develop a list of such vendors to recommend to postal customers.

How Posts can collaborate and partner with direct and digital marketers

Posts can also make alliances with the marketers themselves to grow direct and digital marketing to their mutual benefit. How could this work? Some typical services are mentioned below:

Mailrooms: Many Posts offer mailroom services (not just to direct marketers, but also to other high-volume mailers). Postal employees are assigned to work daily on the company's premises, receiving, responding to, finishing and dispatching correspondence. Depending on the volume of correspondence, their supervisors may also be assigned to work on site, or may come by periodically.

Pick-up and delivery: If the volume merits, the Post may perform periodic pick-ups (sometimes daily, sometimes with another regular frequency, or sometimes on demand) at company premises for direct mailings.

List building: If the Post wishes to enter the list business, it does not necessarily need to undertake a major project like a lifestyle survey (Figure 47) on its own. One or more parties interested in using such a list can and should be co-sponsors of the project.

Posts might also wish to consider even closer relations with their customers and other suppliers in the direct and digital marketing value chain. The services listed above are collaborative services but do not reach the level of partnering per se. British management authority Paul Gardiner⁶³ defines true partnering as follows:

Business partnering is the joining of two or more businesses to exchange resources, share risks, or divide rewards from a joint enterprise. Business partnering can take any of a number of forms such as:

- *a strong relationship with a **major customer***
- *a partnership with a **source of distribution***
- *a relationship with a supplier of innovation or product, or*
- *an alliance in pursuit of a **common goal** (commercial collaboration).*

Following this definition, in the case of a Post and a **major customer** – like a credit card company, a magazine publisher or a cataloguer perhaps – the Post is the **source of distribution** and the **common goal** could be to improve the availability of addresses for direct mail. The major difference between sponsorship and partnering is that the parties create a “joint enterprise” together (this does not necessarily mean a new company; it could be just a joint initiative), in which both share the risks and the profits. So, if the initiative were to be for the mailer to send large mailings to develop a response or buyers list, then the Post and the mailer might share the risks and the profits of the sales, according to predefined numbers, and would later share in the sales of the list that was developed thanks to the initiative. Likewise, if the task were to be to carry out a lifestyle survey, then both parties would share in the cost of the venture (of course, they could involve other sponsors, who would not be partners in the survey but who would have their commercial conditions established prior to the launch). The Post and the mailer would share the cost and risk of doing the survey and the profits from the sale of the lists thereafter.

Likewise, when this type of postal client (credit card company, bank, financial services company, magazine publisher, distance seller or e-tailer) wishes to carry out a prospecting mailing to acquire new customers, the Post could get involved in the initiative. The new customers acquired by the mailer would constitute a source of regular revenues not only to the marketer, but also to the Post, because credit card and financial services companies mail monthly statements to their customers, magazines are regularly mailed to subscribers, and distance sellers/e-tailers periodically send new catalogues to their clientele. So there is an opportunity for Posts to partner with customers in these prospecting or “investment” mailings as they are called – because the mailer invests in the mailing in an attempt to grow its customer portfolio – by supporting that investment through subsidized postage rates on this particular type of mailing.

The various ways in which Posts can collaborate with players in the direct and digital marketing value chain are summarized below.





How to collaborate with players in the direct and digital marketing value chain

Summary

- Posts can provide any or all of the services in the value chain on their own, and some Posts in developing countries certainly do offer many of them.
- Alternatively, they can make alliances with other players in the value chain to contract and/or sell these services through the Post, outsourcing the work to their allies.
- Or they can directly recommend approved suppliers to postal customers as service providers.
- No matter how the Post decides to handle each step in the chain, these are necessary services that must be provided by some player in order for direct and digital marketing to grow.
- The Post should also consider partnering with customers. True partnering (as opposed to simple sponsoring or case-by-case cooperation) involves a long-term commitment to develop direct and digital marketing together. It needs to be a win-win proposition in which the cooperating customer has as much say as the Post about the projects they undertake jointly, and both must share in the earnings.

If all this sounds somewhat overwhelming... look for the “quick wins”

It is certainly not necessary for Posts in developing and least developed countries to have state-of-the-art infrastructure in order to begin promoting direct and digital marketing successfully. Direct mail has been developing for centuries and has improved at an accelerated rate over the last 100 years, whereas digital marketing is a new phenomenon that has taken off only in the last 15 to 20 years. This Guide covers both the basic and some of the more advanced aspects of direct and digital marketing, so the latest developments in technology and infrastructure are discussed. But it is not necessary to have all the “bells and whistles” already in place to begin developing direct and digital marketing.

If your Post is just starting down the direct marketing road, where should you look for the quick wins? First and foremost, you need to **get a good sales effort going**. You do not need to have a full array of direct marketing products and services to increase volume and income from those that the Post already has. In fact, the fastest wins will always come from better selling what you already have, not from product and service development – although in the long run, these are also important.

Try focusing on the customers to contact and the services to promote to get direct mail up and running as quickly as possible and then, later, think about branching out into other direct and digital products and services.

If you don’t have address lists:

- Start with those companies that do: talk to banks, insurance companies, credit card companies, the many retailers that are developing their own lists, utilities, etc. Encourage them to try direct mail. If you can, persuade them to engage in co-marketing, allowing companies to share others’ mailing lists.
- Promote unaddressed direct mail. You will need to have an estimate of the number of delivery points (doors and doorbells) in the socio-demographic geographic areas that you offer for unaddressed mail, but this can be estimated by asking your mail carriers to do an approximate count. Sometimes just segmenting by letter carriers’ routes, grouping those that go through residential neighbourhoods with reasonably similar socio-economic characteristics, is close enough to socio-demographic segmentation for this to work reasonably well.
- Even if you don’t have home delivery, you can do both addressed and unaddressed direct mail to P.O. boxes. Residents of remote areas who purchase by mail or e-commerce are happy to drop by their nearest post office to pick up their parcels.

If your country does not have a distance selling/e-commerce culture or does not have a high proportion of credit card holders, or if the Post still does not handle COD, money order and/or parcels well:

- Stick to customers who sell services or require lead generation or traffic generation to commercial premises or to web pages. There is a vast market for direct mail in this type of company, and their offers usually do not require prior means of payment or parcel delivery.

If marketers in large companies are not yet permeable to direct marketing, approach the SMEs:

- Small businesses are often more open to the idea of direct marketing because they have fewer marketing resources than mass marketers. This is not to say that mass marketers should not be using direct marketing – it’s just that SMEs often realize that they should do so earlier.

These are just a few of the shortcuts to getting direct marketing up and running in your country. The point is that you don’t have to have the latest systems or processes to begin to promote the activity. The most important thing is to get started and to advance wherever it is easiest for your Post to do so. Look for the “quick wins” while you continue with your medium- and long-term development efforts.

CHAPTER 7 – ASSESSING THE MARKET POTENTIAL

Assessing opportunities with existing and potential customers

Once the Post in a developing or least developed country has its basic set of products and services ready to address the market, it is time to develop a sales plan. This begins with identifying the potential customers, determining what products/services to offer to each, and getting the postal sales force into action!

Step 1: Draw up a list of customers or prospects that engage in the economic activities that use direct and digital marketing most intensively in most countries, as per Figure 57 below:

- banks and credit card, insurance and other financial services companies
- telecommunications companies and utilities
- general retailers
- e-commerce sites and other distance sellers
- publishers
- consumer service retailers
- technology companies
- travel and leisure industries
- market and opinion researchers
- government
- charities, NGOs and political parties
- and others

If there is a direct marketing association in the country, or a group of marketers that are thinking of creating one, this is a good place for the Post to recruit potential customers. In addition, the Post should draw up its own list of potential

direct and digital marketing customers, particularly in the industries listed above.

Step 2: Review the postal products and services that each category of prospect could typically demand and how they can apply them. This information is shown in Figure 57 below.

Step 3: “Sharpen your pencils” – in other words, find the right price in order to conquer the prospect. The Post needs to determine what prices will attract direct and digital marketing customers. For example, direct mail competes against general and direct response advertising in mass and alternative media, unaddressed mail handled by third parties, self-distribution, etc. (see the section below). And direct mail itself is particularly price-sensitive, as we have seen in Chapter 5 (pp. 104-106). Before contacting prospects to offer direct and digital marketing services, the Post should have an idea of what prices will be attractive to those prospects.

Step 4: Contact and visit the companies for which the Post appears to have a viable proposal.



The prospecting matrix

The following figure is a valuable tool for postal salespeople to help them complete step 1 of the sales planning process.

Figure 57

A prospecting matrix: what industries tend to use which direct and digital marketing products and services and why

Best prospects for the Post	Principal direct marketing activities and products	Why they use them
Financial services companies <ul style="list-style-type: none"> • Banks • Credit cards • Building societies, mortgage lenders and finance companies • Insurance companies 	<ul style="list-style-type: none"> • Selling, cross-selling and up-selling <ul style="list-style-type: none"> – Mailings, mostly addressed: principally letters and self-mailers – E-mailings – Telemarketing – Direct response advertising – SEM 	<ul style="list-style-type: none"> • Communicating with customers to inform them of bank news and rules, to cross-sell and to up-sell • Communicating with prospects: to consumers – to acquire new customers for credit card and other products; to businesses – to obtain leads for sales calls

Figure 57 (cont.)

Best prospects for the Post	Principal direct marketing activities and products	Why they use them
	<ul style="list-style-type: none"> Relationship programmes <ul style="list-style-type: none"> – Today, mostly e-mailings, to provide points statements, communicate special benefits, etc. – On occasion, when they want to make a bigger impression, they will use direct mail, always addressed; sometimes parcels (gifts) Lead generation for B2B sales <ul style="list-style-type: none"> – Mailings, usually addressed; sometimes parcels (dimensional mailings) as “door openers” – Telemarketing – SEM – Direct response advertising 	
<p>Telecommunications companies and utilities</p> <ul style="list-style-type: none"> • Telephone companies • Mobile phone companies • Cable TV companies • Internet service providers • Public utilities like electricity and gas companies • Others 	<ul style="list-style-type: none"> Selling, cross-selling and up-selling <ul style="list-style-type: none"> – Mailings, mostly addressed: principally letters and self-mailers – Some e-mailings, but not all of these companies have their customers’ e-mail addresses Sometimes relationship programmes <ul style="list-style-type: none"> – Mailings, always addressed; sometimes parcels (gifts) – Monthly magazines with TV programming (for cable) – Maybe some e-mail Lead generation for their B2B sales <ul style="list-style-type: none"> – Mailings, usually addressed; sometimes parcels (dimensional mailings) as “door openers” – Telemarketing – SEM – Direct response advertising 	<ul style="list-style-type: none"> Communicating with customers to inform them of service news and rules and TV programming; other messages will attempt to cross-sell and to up-sell Communicating with prospects: long distance, Internet and other product offers, to acquire new customers

Figure 57 (cont.)

Best prospects for the Post	Principal direct marketing activities and products	Why they use them
<p>General retailers</p> <ul style="list-style-type: none"> • Supermarket chains • Department stores • Electronics, computer and appliance chains • Others 	<ul style="list-style-type: none"> • Traffic generation to physical premises <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: including flyers, catalogues, post-cards, letters and self-mailers • Selling, cross-selling and up-selling <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: including catalogues, letters and self-mailers – Increasingly, e-mailings • Sometimes, cross-channel (if they also sell online or by phone) <ul style="list-style-type: none"> – Mailings, self-mailers and catalogues to drive traffic to the website – Telemarketing – E-mailings – SEM – Online display ads – Direct response advertising • Sometimes relationship programmes <ul style="list-style-type: none"> – Today, mostly e-mails – Sometimes direct mail 	<ul style="list-style-type: none"> • Mostly to drive traffic to stores • Sometimes to drive traffic to the website or to telemarketing numbers (for distance selling/e-commerce, for extended guarantees on appliances, etc.) • To build customer loyalty
<p>E-commerce sites and other distance sellers (often by catalogue)</p>	<ul style="list-style-type: none"> • E-commerce sales <ul style="list-style-type: none"> – Mostly e-mail – In recent years, savvy e-tailers have learned that postcards, self-mailers, letters and direct mail catalogues can have much higher responses than e-mail (see Figures 20, 26 and 27) – SEM – Online display ads • Mail order cataloguers <ul style="list-style-type: none"> – Mostly catalogues, some letters and self-mailers – Postage-paid response cards and envelopes – Direct response advertising – SEM – Online display ads 	<ul style="list-style-type: none"> • Communicating with customers to interest them in more products • Communicating with prospects to sell them products

Figure 57 (cont.)

Best prospects for the Post	Principal direct marketing activities and products	Why they use them
<p>Publishers</p> <ul style="list-style-type: none"> • Magazine and periodical subscriptions • Publishers that sell books by mail 	<ul style="list-style-type: none"> • Selling, cross-selling and up-selling <ul style="list-style-type: none"> – Mailings, mostly addressed: principally letters and self-mailers – Postage-paid response cards and envelopes – Increasingly by e-mail • Customer acquisition <ul style="list-style-type: none"> – Mailings, mostly addressed: principally letters and self-mailers – Direct response advertising – SEM – Online display ads • Fulfilling orders <ul style="list-style-type: none"> – Printed matter (periodicals are regularly mailed to subscribers) – Parcels when books are sent 	<ul style="list-style-type: none"> • Communicating with prospects to sell them subscriptions and other products • Communicating with customers to renew their subscriptions and sell them other products • Fulfilling the orders: sending the publications
<p>Consumer service retailers</p> <ul style="list-style-type: none"> • Gasoline service station chains • Personal service providers like gyms, sports clubs and hair salons • Restaurants • Cinemas, theatres and entertainment complexes • Video/DVD rental • Others 	<ul style="list-style-type: none"> • Traffic generation to physical premises <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: mostly flyers, postcards and self-mailers – Some e-mailings, but many service retailers do not have customers' e-mail addresses – SEM – Sometimes online display ads • Selling, cross-selling and up-selling <ul style="list-style-type: none"> – Same as above • Coupons <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: mostly leaflets and self-mailers • Sometimes relationship programmes <ul style="list-style-type: none"> – E-mailings – Mailings, addressed: mostly letters and self-mailers 	<ul style="list-style-type: none"> • Communicating with prospects to get them to visit their premises and buy their services • Communicating with customers to get them to come back and buy more services • To build customer loyalty

Figure 57 (cont.)

Best prospects for the Post	Principal direct marketing activities and products	Why they use them
<p>Technology companies</p> <ul style="list-style-type: none"> • Computer manufacturers and distributors • Mobile phone manufacturers and distributors • Software companies 	<ul style="list-style-type: none"> • Lead generation for their B2B sales <ul style="list-style-type: none"> – Mailings, usually addressed; sometimes parcels (dimensional mailings) as "door openers" – For small business, catalogues, mailings, self-mailers – Sometimes e-mails – Telemarketing – SEM – Sometimes online display ads • In a few cases, direct B2C sales – often involving cross-channel marketing <ul style="list-style-type: none"> – Catalogues, mailings, self-mailers inviting prospects to phone or go online to place an order – E-mailings – SEM – Online display ads 	<ul style="list-style-type: none"> • Communicating with businesses to generate leads for their salespeople • Communicating with business customers to get them to purchase accessories and supplies • Some of these technology companies engage in distance selling/e-commerce, allowing small businesses and consumers to buy their products and software online and by mail
<p>Durable goods manufacturers and distributors</p> <ul style="list-style-type: none"> • Automobile manufacturers and dealers • Machinery and capital goods producers and dealers • High-technology equipment suppliers • Others 	<ul style="list-style-type: none"> • Lead generation for B2B sales <ul style="list-style-type: none"> – Mailings, usually addressed; sometimes parcels (dimensional mailings) as "door openers" – E-mailings – Telemarketing – SEM – Sometimes online display ads – Direct response advertising • Selling, cross-selling and up-selling in B2C sales <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: mostly letters and self-mailers – Sometimes e-mailings – Telemarketing – SEM – Sometimes online display ads – Direct response advertising • Sometimes relationship programmes <ul style="list-style-type: none"> – Mailings, always addressed; sometimes parcels (gifts) – Sometimes e-mailings 	<ul style="list-style-type: none"> • Communicating with businesses to generate leads for their salespeople • Communicating with business customers to get them to purchase accessories and supplies • Communicating with consumers to drive traffic to dealerships • To build B2B and B2C customer loyalty

Figure 57 (cont.)

Best prospects for the Post	Principal direct marketing activities and products	Why they use them
<p>Travel and leisure industries</p> <ul style="list-style-type: none"> • Airlines • Travel agencies • Hotels • Amusement parks • Casinos and gaming • Others 	<ul style="list-style-type: none"> • Selling, cross-selling and up-selling <ul style="list-style-type: none"> – Mailings, mostly addressed: principally letters and self-mailers – E-mailings – SEM – Online display ads – Social media – Direct response advertising • Relationship programmes (especially airline miles, but also in hotels and casinos) <ul style="list-style-type: none"> – Mostly e-mail nowadays – Mailings, newsletters, always addressed • Traffic generation, especially in hotels (example: “French Chefs’ Week at our hotel restaurant”), amusement parks and casinos. <ul style="list-style-type: none"> – E-mailings – Mailings, usually addressed: letters and self-mailers, often containing coupons and highly personalized – Direct response advertising – Social media – Online display ads 	<ul style="list-style-type: none"> • Communicating with prospects to interest them in their services • Communicating with customers to get them to come again and/or buy more services • To build customer loyalty
<p>Marketing and opinion researchers</p>	<ul style="list-style-type: none"> • Surveys <ul style="list-style-type: none"> – E-mailings – Telemarketing – Mailings, addressed and unaddressed – Postage-paid response envelopes 	<ul style="list-style-type: none"> • Sending surveys to subjects • Receiving their responses
<p>Consumer goods manufacturers and distributors</p>	<ul style="list-style-type: none"> • Coupons and sampling <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: postcards, letters, self-mailers and small packages – Direct response advertising – Online display ads – Social media • Occasionally, relationship programmes <ul style="list-style-type: none"> – Mostly e-mail – Mailings, addressed: letters, self-mailers and samples (small packages) – Possibly parcels (gifts) 	<ul style="list-style-type: none"> • Introducing new products or product improvements • Boosting sales through discount coupons • Building customer loyalty

Figure 57 (cont.)

Best prospects for the Post	Principal direct marketing activities and products	Why they use them
Educational institutions (universities, institutes, etc.)	<ul style="list-style-type: none"> • Selling, cross-selling and up-selling <ul style="list-style-type: none"> – E-mailings – Direct response advertising – Online display advertising – SEM – Mailings, mostly addressed, although sometimes unaddressed: letters, self-mailers and brochures • Donor and loyalty programmes <ul style="list-style-type: none"> – E-mailings – Addressed mailings – Newsletters and free magazines for alumni 	<ul style="list-style-type: none"> • Prospecting for new students for degree programmes, courses, seminars and executive education • Cross-selling to existing students or alumni • Building alumni loyalty and seeking donations and bequests
Government (national, provincial, local; bureaux and agencies; etc.)	<ul style="list-style-type: none"> • Information for citizens: <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: mostly letters, self-mailers and brochures 	<ul style="list-style-type: none"> • Communicating with constituents to inform them of new regulations, new benefits and/or government achievements
Charities, NGOs, political parties and politicians	<ul style="list-style-type: none"> • Fundraising, public interest campaigns, electoral campaigns <ul style="list-style-type: none"> – Mailings, addressed and unaddressed: mostly letters, self-mailers and brochures – E-mailings – Social media • Donor and loyalty programmes <ul style="list-style-type: none"> – E-mailings – Addressed mailings – Newsletters 	<ul style="list-style-type: none"> • Communicating with potential donors, constituents and public opinion to get people to donate, vote or opine on their side • Communicating with existing donors or supporters to communicate news and obtain their continuing support (loyalty building)
Communications agencies <ul style="list-style-type: none"> • Direct and digital marketing agencies • Advertising agencies • Sales promotion agencies • Others 	<ul style="list-style-type: none"> • Depending on the type of customers that the agency has, any of the array of direct and digital marketing products could be of interest 	<ul style="list-style-type: none"> • The idea of contacting agencies is to try to convince them to recommend the Post's direct and digital marketing products and services more often to their customers • Agencies usually earn commission from the other media (print, television, radio, outdoor, etc.) that they use for their clients' communications. So they may ask to be commissioned, for example, for the volume of direct mail they channel into the Post. Before calling on them, the Post must have a clear policy on this issue.

It is not necessary for the Post to have the lowest price in order to win the customer. Quality considerations are also fundamental. For instance, postal letter carriers may be exceedingly more reliable than informal unaddressed mail deliverers. In another example, Figure 20 has shown that direct mail has a much higher sales volume than e-mail, even though per-item direct mail is much more costly than e-mail.

When price is a major factor, there may be ways to reduce the Post's quote. Perhaps the normal delivery standard is not required for some direct mail campaigns. This may present a cost-savings opportunity for the Post that justifies a lower price. Perhaps the Post can require that the direct mailer pre-sort the mailing. If the direct marketer contracts the Post for a series of services – such as obtaining the list, designing and printing the direct mail piece, distributing the piece, and handling responses in the Post's contact centre

– maybe an attractive overall price can be reached. There are many possible justifications for the Post to quote a lower price for direct marketers. These justifications were discussed in section xyz. Posts offer many advantages over competitors in terms of delivery services, and they must ensure that customer perceptions of quality coincide with reality in order to demand the corresponding price.

Posts that offer e-mail, direct response advertising, online display, SEM, SMS and telemarketing services should assess their comparative advantages in a similar way. These and other important aspects of competition for direct marketing services are discussed in the next section.

The tools for assessing opportunities with existing and potential customers are summarized below.



Identifying and assessing opportunities with customers and prospects

- **STEP 1:** Make a list of those companies in your country that engage in activities that typically use direct and digital marketing, as per the prospecting matrix above.
- **STEP 2:** Determine which of the Post's products and services each of these companies might require.
- **STEP 3:** Establish price/quality offers that will entice the customer/prospect to try direct and digital marketing with the Post.
- **STEP 4:** Contact and visit those companies for which the Post appears to have a viable proposal.

Summary

Identifying and evaluating competitors

Assessing the competition from other media

Direct and digital marketing competes, as mentioned above, against mass marketing media like TV, newspapers, magazines, radio, outdoor, and alternative advertising media. A strategy to gain market share over other media usually includes educating mailers and agencies, as well as ensuring the adequate positioning and pricing

of the Post's direct and digital marketing products and services.

Figure 58 summarizes the advantages of direct mail (most Posts' flagship product), already described in some detail on pp. 66-69 of this Guide, and compares them with competing advertising media. The figure also compares the advantages of direct mail against those of e-mail. Having a clear understanding of these concepts will make it easier for postal sales personnel to convince potential users to try direct mail.

Figure 58

How direct mail competes with other communications media

Advantages of direct mail	Advantages of competing media
<p>DIRECT MAIL</p> <ul style="list-style-type: none"> • Direct mail is more cost-effective. If well executed, it will almost always have a significantly higher ROMI than mass media advertising. See Figure 27 on page 49. • Direct mail reaches people. There is no mass medium that can reach as many households in a country as direct mail – except perhaps for television and radio. These media, however, have many channels to choose from and people are not tuned in around the clock, so in general, most mass media advertising campaigns will end up having a “reach” inferior to direct mail. • Direct mail gets read. The readership/attention achieved by direct mail is unrivalled in any of the mass media. It provides more information to be studied at leisure, when the recipient has time to do so. It is also the only medium that can activate the five senses. TV, radio and Internet are audiovisual media and outdoor is strictly visual. Direct mail and magazines are the only media that allow people to touch a sample of fabric or smell a sample of perfume, but direct mail does this better. And, to date, direct mail is the only medium that gives prospects a chance to taste the chocolate or other food product. • Direct mail is scalable. No matter the size of the business, direct mail can fit into the marketer’s budget. SMEs that cannot afford to buy ads on TV or in the newspaper can send a 5,000-item mailing, or if they cannot afford that, they can send a 1,000-item mailing. This is also true for large businesses that are marketing low-volume niche products. • Direct mail is targetable and personal. Direct mail allows marketers to make different offers or use different sales arguments with different customers, to really appeal to their needs and expectations. • Direct mail is measurable. Mass media are not. In today’s harsh economic and competitive business environment, this is a major advantage. 	<p>MASS MEDIA: TV, RADIO, PRINT, OUTDOOR AND INTERNET ADVERTISING</p> <ul style="list-style-type: none"> • The cost per contact or cost per thousand contacts (CPM – cost per mille) is significantly lower. When the marketer’s goal is not to sell a specific number of products or elicit a specific response, but rather, to simply build the brand’s image among the general audience, mass media may be a better choice. • Many marketers are unaware of the benefits of direct mail. Throughout the world, marketing people have been taught to use advertising and find it quite natural. This is not the case with direct mail, so postal salespeople may find that many prospects have an initial bias in favour of advertising. • Advertising is easier to do than direct mail. Direct mail means obtaining lists, cleansing lists, updating lists, producing and finishing multi-piece mailings, personalizing, measuring, etc. Some marketers may feel somewhat overwhelmed at the amount of effort involved in getting started in direct mail. • The ROMI of mass media advertising is not usually measured. The fact that direct mail is measurable is a point in its favour that will surely appeal to the owners of the company doing the marketing. However, the Post’s salespeople should be aware of the fact that some employees of the customer’s marketing department may be wary of using direct mail because they don’t want to be made accountable for results.

Figure 58 (cont.)

Advantages of direct mail	Advantages of competing media
<p>DIRECT MAIL</p> <ul style="list-style-type: none"> • Customers prefer direct mail. Surveys have shown that the majority of customers prefer to receive information on products and services by direct mail as opposed to e-mail. Printed material is easier and more pleasant to read. Many people object to e-mail because they consider it to be intrusive. • Direct mail reaches people. First of all, there are lots of people, especially in developing and least developed countries, who do not use e-mail. Secondly, because people find spam bothersome, most unsolicited commercial e-mail is being filtered out by ISPs or employers before it even reaches the person's inbox. Then, many if not most people look down their list of e-mails received and delete those items that they consider spam without even opening them. So direct mail reaches virtually all recipients, while unsolicited e-mail reaches only a small percentage. • Direct mail is cost-effective. Although higher in cost per item sent than e-mail, in many – if not most – cases the end result in sales will favour direct mail because of the above two points: it reaches more people and it gets read. See an actual case that illustrates this point in Figure 20 on page 39. 	<p>E-MAIL</p> <ul style="list-style-type: none"> • E-mail is much less expensive per item to send. This may not be a true advantage for customer acquisition campaigns, because most of the e-mails are filtered out and never reach the recipient. However, when the company has its own permission list of customers who have asked to receive e-mails from the sender, this cost advantage can be very important and even decisive. • When e-mail does get delivered to the prospect's inbox, it arrives faster, almost instantaneously.

Assessing the competition from other direct and digital marketing services

Other competition that must be taken into account in the Post's direct and digital marketing plan are the direct competitors of the Post. For direct mail, they would be companies that distribute mail – especially unaddressed – and parcels. For contact centre services, they would be the other companies who offer those same services. If the Post is selling direct marketing lists, the competition would be the list brokers and so on, depending on the service offered.

Some of the needs satisfied by direct marketing are so important that, especially but not only in less developed parts of the world, the private sector finds solutions in the absence of adequate or suitably priced services from the Post. For instance, in much of Latin America, it is common for even very large retailers to contract private

delivery services to distribute flyers and catalogues containing the week's special offers to peoples' homes. These materials are usually circulated by young workers (or sometimes old and even retired workers) without full-time employment who are hired job by job. In order to compete with this type of unaddressed mail service, the Post must have a competitive price in addition to ensuring a better quality service, and this is not always easy.

Delivery of purchases within a single urban area has always been handled by retailers to some extent – either by using their own delivery services or by subcontracting to independent freight companies. In city-to-city sales in Latin America, long-distance bus companies offer a quick and inexpensive way for individuals and businesses to ship parcels. In Argentina, this method is the Post's principal competitor for long-distance domestic parcel services, and to

date, despite the fact that the Argentinean Post offers track and trace and other value-added services, the bus companies still have a larger market share. Initially, the sender had to carry the parcel to the bus station for shipment and the receiver had to pick it up at the bus station at the other end. But today, the bus companies offer more sophisticated pick-up services, and home delivery services are offered at an extra charge, often still cheaper and faster than the Post.

So Posts must be very aware that they have competitors, even when it comes to their traditional postal products and services, and sometimes these players are not formal private postal operators, but rather, much less sophisticated endeavours.

Analysis of the competition is a must in strategic planning, and the development of direct and digital marketing by the Post is no exception. Competitors will exist in the Post's core business of delivering mail, as well as in most of the other tasks in the value chain in which the Post may decide to intervene (see Chapter 6).

The rest of this chapter is devoted to providing Posts in developing and least developed countries with a methodology for assessing their competitors and evaluating their own product and service offerings in comparison with those competitors. Since there is quite a wide array of direct and digital marketing products and services that the Post may be offering or that it may decide to incorporate, this section will not go through each possibility, but rather, give a single example. The example below deals with competition for unaddressed mail. Using the same methodology and formats in this example, the Post can evaluate each of its key products and services on its own.

Points for assessing competitors

When evaluating the competitive landscape, Posts should rate their own offerings against those of their competitors on four basic points:

price; service quality; geographic coverage; and advertising, promotion and/or image.

Perceptions and realities

In considering these analyses, it is important to remember a basic marketing tenet: customer perceptions may or may not be accurate, but **the perceptions themselves are the realities** on the basis of which customers make their purchase decisions. When perceptions do not coincide with the true reality as the Post knows it, the Post must somehow change the customers' perceptions. Otherwise, the Post may have the best quality and the better offer in terms of price and service, but still not get the business because the clients do not realize this fact.

When competitors are private delivery services for unaddressed mail

Where local regulations permit (and sometimes even when they do not), many of these competitors will tend to be small, localized and often very informal enterprises, at times to the point of engaging in inappropriate labour practices, like not paying the legal minimum wage and/or not making the required social security, medical and other payroll contributions. Nevertheless, otherwise respectable customers may sometimes contract their services. A common use for this type of mail is to generate traffic for retail establishments when, for example, a pizza parlour, a supermarket or a department store branch wants to announce its special sales to attract both existing and new customers. Another use is the distribution of product samples or coupons by mass marketers. An example of a possible assessment is shown below. **(Note: this *may not* reflect the reality in every country; each Post should construct these assessment tables according to the competitive conditions in its own market.)**



Figure 59

Marketing and promotional variables relative to unaddressed direct mail in the general market

Aspect	Advantages of competitor	Advantages of Post
Price	<ul style="list-style-type: none"> Usually lower than the Post for the same service, often considerably lower 	<ul style="list-style-type: none"> The Post could offer discounts justified on the basis of the density of distribution (since this type of mailing is usually directed at specific neighbourhoods or districts). Postal employees are legally employed and all the legal labour requisites are respected. This is an important point for large retailer customers, among others, and may compensate, at least in part, for higher prices.
Service quality	<ul style="list-style-type: none"> These services may be seen as more agile than the Post because they do pick-ups, do not usually restrict sizes and formats, have more flexible hours, etc. Timing is especially important for large retailers, because they work with short lead times for their weekly offers. These competitors may offer shorter times between pick-up and delivery than the Post. 	<ul style="list-style-type: none"> If the Post can offer excellent service quality for unaddressed mail in terms of both time and accuracy, it can successfully compete with many informal providers because its letter carriers are much more experienced and reliable than the part-time help often hired by these companies.
Geographic coverage	<ul style="list-style-type: none"> Most of the competitors are local companies and cannot offer national coverage to a large retail chain, for example. However, many promotions are local and decided by the chain store or branch manager. 	<ul style="list-style-type: none"> The Post is in a position to negotiate a special price for a national coverage package for major retail chains. This package could require a minimum national volume, but allow for different numbers and pieces for each locality.
Advertising/promotion/image	<ul style="list-style-type: none"> This type of competitor does not usually advertise or have a well-known brand name. 	<ul style="list-style-type: none"> The Post, obviously, has a big brand name. Whether its brand image is positive in this sector (mostly retail establishments) will depend on its past performance in unaddressed mail – but it can certainly be improved with better focus on quality, appropriate pricing and promotion.

This same kind of competitive analysis should be made for other competitors of the Post in the area of unaddressed mail. In drawing up the examples for the competitive matrix tool shown in Figure 60, two other examples were added of competitors in other product and service areas:

- private postal operators (in countries where they are allowed) competing for addressed direct mail volumes; and
- private parcel services competing in the parcel business.

Once the competitor-by-competitor analyses like

the one in Figure 59 for these additional businesses are complete, the Post should fill out Figure 60. As in the Figure 60 analysis, the Post should assign a letter representing the degree of

competitiveness of each player on each of the four major variables (price, service quality, coverage and promotion).

Figure 60

Competitive analysis matrix for delivery services. This is a hypothetical competitive matrix that is based on the methodology explained above. The letters signify the following: H = highly competitive, M = medium competitiveness, and L = low competitiveness. This is just an example. Each Post should do its own analysis for each of its direct and digital marketing products and services and for **each** of its competitors. In the table below, only one column for competitors is shown, for illustrative purposes. If there is more than one relevant competitor in a product or service category, there should be more columns in the matrix (one per competitor).

Business	Competitor	Post
Small local deliverers of unaddressed mail		
Price	H	L
Service quality	M	M
Geographic coverage	L	H
Advertising/promotion/image	L	M
Private postal operators in addressed mail		
Price	H	M
Service quality	H	H
Geographic coverage	M	H
Advertising/promotion/image	M	M
Private parcel delivery services		
Price	M	M
Service quality	H	H
Geographic coverage	M	H
Advertising/promotion/image	M	M

Once Figure 60 is complete, the Post should decide on its competitive strategy for each product or service. For example, in unaddressed mail, the only competitive disadvantage is the Post's price. So, the Post must decide if it can and should reduce prices to eliminate this disadvantage, or whether it will base its sales strategy on emphasizing its superior coverage and image. Or maybe it would be possible to create a competitive advantage in service quality. With regard to addressed mail, the only

disadvantage is in price. The Post must ask itself if it is possible to reduce its prices or to offer a package of services wherein this price differential is masked, or decide whether it should simply try to compete purely on its superior geographic coverage.

These are the tools that aid in formulating competitive strategy. The conclusions of this chapter are summarized below.



Assessing market potential

- A sales strategy is drawn up by determining the best prospects for the Post's salespeople to contact, with the aid of a prospecting matrix.
- Posts must assess the competition – whether in terms of substitute products and services or the same postal service offerings available from competing firms – and arm its sales force with the pertinent arguments for overcoming customer objections.
- The Post and its salespeople must realize that “perceptions versus realities” and when the Post or one of its products/services is perceived to be less attractive, the Post must do its best to change the mistaken perception or image.

CHAPTER 8 – DIRECT AND DIGITAL MARKETING EDUCATION AND PROMOTION

In informal polls of postal experts and marketers in several developing countries, carried out in preparation for the writing of this Guide, the respondents were virtually unanimous in identifying the **two most important hurdles** to overcome in order for direct marketing to grow faster in their countries:

- the lack of reliable marketing lists, and
- the need to educate the Post's business customers, who are largely unaware of the benefits of direct marketing.

The question of marketing lists was discussed at length in Chapter 5. The issue of education is the theme of Chapter 8. But before Posts can educate their customers, they have to be sure that their own staff are knowledgeable enough to advise and serve them. So this chapter will start with suggestions on how to train postal staff, before moving on to the questions of how to educate customers and how to promote direct and digital marketing throughout the market in general.

How to train your staff

The Post's in-house experts – the special direct marketing team: The Post's key direct marketing advisory staff will need to be specially trained as direct and digital marketers before they can start coaching customers. They will constitute the Post's special direct marketing team. These are the people in charge of marketing, product development, service quality assurance, and sales of direct and digital marketing products and services. In-depth training for these people can start with this Guide, but if they are to be able to assist and advise customers, the scope of their learning must be much greater, so additional training will need to be obtained from other sources. A good starting point for future experts will be to read some of the plentiful literature written on the topic.

Reading list for the Post's special direct marketing team: There are many books that cover direct marketing, including telemarketing, direct response advertising in mass media and digital marketing. The Post's experts need to become well-versed in general direct marketing, even for those products and services that the Post chooses not to offer, because many customers will want to experiment in the use of multiple media, and

the experts must know how the Post's offerings fit into the overall cross-channel and multi-channel communications landscape. There are many good books on this topic in various languages, available in bookstores or via the Internet. Some are cited in the bibliography at the end of this Guide.

Courses and workshops for the Post's special direct marketing team: The only course and training offerings that discuss direct and interactive marketing from the point of view of Posts are those given by the UPU DMAB. The reader is therefore advised to be on the lookout for any workshops being carried out in his or her region.

Through DMAs, related educational institutions, and universities in the developed world, there are abundant options for broader direct and interactive marketing training aimed at all types of marketers. Of note:

- FEDMA, the federation of European DMAs, through its Pan-European Education and Assessment Committee, offers certificate and diploma courses at various institutions throughout Europe (www.fedma.org/?id=50).
- The Institute of Direct and Digital Marketing in the UK offers a variety of programmes, including intensive courses as well as online courses (www.theidm.com/qualifications) that are convenient for interested parties from other countries. The same institution also conducts a wide variety of shorter training courses (www.theidm.com/marketing-training).
- The U.S. DMA makes available online certificate courses (dmaeducation.org/certifications).

It should be kept in mind that the primary targets of most of these courses are direct mail beginners from industrialized countries and that the subjects are taught from the marketer's viewpoint, not the Post's. So the Post's experts-in-training will have to be able to step back and reinterpret the teachings to make them applicable to developing and least developed countries, and will need to "translate" them to fit the perspective of the supplier of postal services.

The UPU will soon be including the information from this Guide in its **Trainpost** online specialized e-learning courses at www.upu-trainpost.com.



The DMAB also holds educational conferences twice a year in Berne, Switzerland, during the sessions of the Postal Operations Council and the Council of Administration, and organizes workshops in different regions of the world.

To stay updated, all postal direct mail specialists should be sure to read **DMAB Update**, an e-mail newsletter in English and French that is also posted online on the UPU website (www.upu.int).



Benchmarking to be done by the Post's special direct marketing team: Once the Post's designated experts are well-versed academically in direct and digital marketing as it relates to the postal business – whether through reading, attending courses or otherwise – one of the best things to do is to seek opportunities to benchmark other Posts that are at a more advanced stage in direct and digital marketing development, to find out what they are doing in the areas of infrastructure, operations, marketing, sales and promotion. Simply put, the term “benchmarking” refers to the process of assessing what an admired colleague or competitor does, with the intention of gaining inspiration on what to do in your own company. It is not necessary to look up to the other institution in everything it does, just in the principal areas of interest to the benchmarker – in this case the postal expert who wants to grow direct and digital marketing in his or her country.

Many Posts include detailed information on their direct marketing activities, tools, products and services on special websites or pages, and this is a good and inexpensive place to start benchmarking. They also often include studies of interest and assistance to companies, particularly SMEs, to help them plan and implement their advertising mail campaigns. The following are some recommendable sites found at the time of writing this Guide:

- Australia Post: auspost.com.au/business-solutions/data-and-marketing-insights.html
- Canada Post: <http://www.canadapost.ca/web/business/solutions/direct-marketing.page>
- Correios (Brazil): www.correios.com.br/para-sua-empresa/marketing-direto
- Posti (Finland): www.posti.com/services/mailandmarketing/directmarketing.html
- Deutsche Post (Germany): www.deutschepost.de/de/d/dialogmarketing-crossmedial.html
- Royal Mail (Great Britain): www.royalmail.com/business-services
- International Post Corporation: www.ipc.be/en/Programmes/market-intelligence/direct-marketing
- New Zealand Post: <http://www.nzpost.co.nz/business/direct-marketing>
- Correos (Spain): www.correos.es/ss/Satellite/site/pagina-marketing_directo_soluciones_empresariales/info
- Swiss Post: <http://www.post.ch/en/post-startseite/post-geschaeftskunden/post-direct-marketing.htm>
- United States Postal Service: <http://www.usps.com/business/welcome.htm>
- GlobalDMA: list of contact data for different countries at globaldma.com/country_detailed_page#tabs&dmalista:dma1
- FEDMA: list of contact data for different countries at www.fedma.org/index.php?id=150

One of the most rewarding benchmarking experiences is to visit another Post to interview counterparts and observe how they work. It is interesting to benchmark in developed countries, because it provides the postal expert from the developing or least developed country with a long-term view of where direct and digital marketing should be going. However, it is also invaluable to benchmark with Posts in developing countries that are perhaps just a few steps ahead of your country's own Post, because beneficial short- and medium-term solutions may be found for resolving problems that are similar because of the degree of development of the markets.

How do you benchmark? Contact the Post whose practices you admire and get its permission to visit for a day or two. List the known aspects of the other Post's direct marketing performance that you would most like to emulate, and also list those areas where your Post has identified a need for improvement in order to be successful in direct marketing, even if you do not have information on how the other Post is addressing those issues. Determine the functional areas (sales, marketing, processing, distribution, etc.) that you would need to visit to “benchmark” that Post on the issues on your list. Visit those areas and consult the people responsible for the points on your list. Also ask the person interviewed to tell you what he or she thinks are the critical success factors for direct marketing, because in this way you may discover additional useful ideas. When you get home, compare what that Post is doing with what you are doing, and you are sure to discover many practical inspirations on how to advance in the area of direct marketing.

Training postal staff to facilitate and promote direct and digital marketing: When the Post's plan to develop direct marketing is about to get underway, the rest of the personnel who will be involved must be trained. Since the Post's special direct marketing team will be prepared by this time, they can train the others, but only with the necessary top-down support from the Post's most senior authorities. All employees must know that direct and digital marketing is an institutional imperative and **not** just the responsibility of the special team. The chief executive officer of the Post must be behind the project, and all employees must know that the CEO backs it.

Who should be trained? It is important to send a message to all the Post's employees that direct and digital marketing has become a priority; they should be told what they need to do in their day-to-day activities to support this effort. If the Post has a newsletter, in-house magazine, intranet site or other means of communicating periodically with employees, these vehicles should be used regularly to maintain an awareness of the importance of direct and digital marketing. In induction programmes for all new employees, direct and digital marketing and its role should be explained carefully.

However, there are two key functional areas that will also require in-depth training:

– Sales



- It cannot be stressed enough that the most important action a Post can take to increase the volume and income from direct and digital marketing products and services is to have a competent, well-trained and motivated sales force actively promoting these offerings. With their tradition of monopoly status in many countries, Posts are not used to having to sell proactively. This has now changed, everywhere, as Posts compete with (often digital) alternatives to their services. The Post's direct marketing team will head the sales effort. However, the following two groups of commercial executives must also take the initiative in discovering sales opportunities, and – in order for them to do so effectively – they must be trained:
 - Account managers, or however the Post describes the people who take care of the day-to-day commercial relationships with corporations, institutions and other large customers. These executives need to

recognize opportunities for selling direct and digital marketing to these clients. In many cases, they will call in the Post's special direct marketing experts to design service offers for these potential direct marketers and to assist and advise the customer. The UPU International Bureau has also developed a programme on the subject of key account management.

- Branch or office managers, or however the Post describes the people who are in charge of the Post's offices or agencies in cities and towns and who are responsible for sales to SMEs and other institutions based locally. Again, these postal officers must be able to recognize opportunities to sell direct and digital marketing. At times, they will also call on the special direct marketing experts to help in preparing offers and advising customers.
- Operations
 - Operations chiefs and heads of distribution centres must know the priorities established for direct and digital marketing – particularly direct mail – and the whys and wherefores.
 - Finally, the distribution centre personnel and letter carriers need to be made very aware of the importance of delivery quality for direct mail, postage-paid response vehicles, magazine subscriptions, etc., and of their own role in meeting the expected standards.

If the Post is satisfied with its service quality in direct and digital marketing products, training in each group will have more to do with creating awareness and buy-in to the idea of developing direct and digital marketing than with actually teaching postal techniques. If the Post recognizes opportunities for service quality improvement and/or is introducing new products in order to attract more direct and digital marketing business, then training will also need to include operations and quality components.

The information that needs to be presented to these sectors to achieve awareness and buy-in is included throughout this Guide.

How to train your customers

As mentioned at the beginning of this chapter, international experts agree that customer education is one of the two top priorities for

achieving direct and digital marketing growth in developing and least developed countries.

In the next chapter on p. 148, two best practices of Posts in developing countries (Brazil and South Africa) are described; they are excellent initiatives and should be studied carefully. Both Posts have established functional units whose core responsibility is promoting the growth of direct marketing. In these Posts, the special direct marketing teams, whose main mission is to consult and advise customers and prospects, form part of the staff of these units. Customer education is one of the main jobs of these special units.

One way of reaching customers with direct and digital marketing education is by visiting important customers to make a special presentation. In addition to the operations and purchasing people (who are often the Post's principal contacts within large companies), it is vital that the marketing staff also be present. The presentation that the Post makes will depend on what type of marketing the company does: business-to-consumer (B2C), or business-to-business (B2B). Most very large companies do both. Paradoxically, the B2C marketers will probably be more open to listening to a direct and digital marketing presentation. Many companies think that it is not necessary to do marketing in B2B, but they are very much mistaken because direct marketing should be the preferred medium for communicating with businesses.

The Post will also find that large companies and small companies have different needs, both in B2C and B2B.

For the smaller mailers, the Post will probably prefer to make group presentations on postal premises or in rented conference rooms. In this case, it is important to separate customers into groups primarily interested in B2C and those more inclined towards B2B, as the role direct and digital marketing plays can differ between these two segments.

Some of the marketing materials mentioned in the following section on direct and digital marketing promotion in the general market can also be useful for existing customers.

Ideas for direct and digital marketing promotion in the general market

Again, the examples provided by the Brazilian and South African Posts are good benchmarks for Posts in developing and least developed countries looking for ideas on how to sell and promote direct and digital marketing products and services. There are many activities that can be carried out and most of them are listed in Figure 61 below. It should be kept in mind that the audience for these communications is not consumers, but rather, businesses of all sizes, and institutions (see the prospecting matrix in Figure 57 on pp. 123-129 for the list of the best targets).

Figure 61

Ideas for direct and digital marketing promotion in the general market	
Work with trade associations and industry groups that share the Post's interest in growing direct and digital marketing	<ul style="list-style-type: none"> Groups that can be approached: <ul style="list-style-type: none"> the country's direct marketing association (or if there is none, support the creation of one) communications agencies and their associations, especially those specializing in direct marketing, as well as advertising and promotion agencies, including digital agencies printing industry groups, especially those interested in variable data and digital printing the local Rotary Club, chambers of commerce, and the like for promotion among SMEs Encourage and sponsor the educational activities of these associations that relate to direct and digital marketing. Organize direct and digital marketing educational opportunities together with these institutions (conferences, seminars, breakfasts, luncheons, visits to the Post, etc.).
Organize the Post's own educational activities for direct and digital marketing	<ul style="list-style-type: none"> The Post can conduct its own seminars, conferences, workshops and courses to interest and educate both customers and prospects in direct and digital marketing. These can be general activities aimed at mixed industry audiences, or courses directed at certain sectors (like B2C or B2B, small businesses, or a specific industry like banking, travel, etc.). Some Posts (like Correios in Brazil) take these events on "road-shows", travelling across the country to reach out to all major towns. The major difference between carrying out these activities directly through the Post and carrying them out through an existing group is that, if the association has good coverage of the target population, ensuring good attendance is much easier. Ensuring attendance is the most challenging part of organizing these events. In any case, whenever the Post extends invitations to educational activities, the Post's sales area (account/branch/office managers) must necessarily make a major effort to get target customers and prospects to attend.
Website	<ul style="list-style-type: none"> A good website, containing educational and promotional text in addition to product information, is a basic tool. This can be a section of the Post's general website or a special website for direct and digital marketing that can be reached by a link on the Post's site. In either case, there is no use having great information on the Web if the Post does not get prospects to visit the site. So, just like the marketers described on pp. 56-59, the Post must practise traffic generation to its web pages. Obviously, the Post should use direct mail to generate traffic to its direct and digital marketing site. This will almost certainly be the principal source of visitors to the site, provided the Post does its direct mailing professionally, with a good list and a compelling appeal.

Figure 61 (cont.)

	<ul style="list-style-type: none"> • Online traffic generation is also important. The Post should consult online marketing experts for recommendations on search engine marketing (SEM) and optimization (SEO) techniques, and possibly online display advertising, to encourage visits. • Lastly, media advertising (TV, radio, print, outdoor) can be used. It must be taken into account that the target for direct and digital marketing is a business audience, and the media must be segmented accordingly. In addition, the Post should be ready to pay much more per site visitor obtained through media advertising than through direct mail or SEM. This Guide has emphasized from the start that the expected ROMI of direct mail is much better than that for media advertising. This is as true for the Post as it is for its customers.
Press relations	<ul style="list-style-type: none"> • The Post's direct and digital marketing offering and its benefits should appear as frequently as possible in newspaper, magazine, radio and TV reports and articles – naturally prioritizing those publications and programmes that draw the greatest business audience. • If the Post itself has a magazine or newsletter that it sends to business customers, not a single issue should go by without including an interesting article or case study on direct and digital marketing and its advantages. • The Post's public or institutional relations department must be a key partner for the special direct marketing team in ensuring the maximum possible coverage.
Publications, brochures, newsletters and e-newsletters	<ul style="list-style-type: none"> • The Post could publish its own guide to direct and digital marketing, aimed at customers and prospects, that includes the information and advice they need to be more active and successful in marketing. (The present Guide is directed at Posts.) • A less ambitious but nevertheless useful project would be to create a brochure or series of brochures with the same type of information and advice. • The Post could create a direct and digital marketing newsletter to be published periodically and mailed to customers and prospects. • The brochures and newsletters could be posted on the website to be downloaded in pdf format. In order for this to be useful, there must be traffic generation actions, at least every time a brochure or new edition of the newsletter is released. • A good way to generate traffic to new information on the Web is to cultivate a group of regular subscribers by e-mail. Every time a new edition comes out, an e-mail is sent to them with a link to the online brochure or newsletter. This, of course, works best with known clients and prospects and is less helpful for identifying new prospects.
Creating a physical and/or online reference library	<ul style="list-style-type: none"> • Posts can create a physical library of books, magazines, journals, CD-ROMs and other material for on-site consultation or lending to companies interested in learning more about direct and digital marketing. • It is important for the library to obtain the contact data of the companies and persons who consult it, to allow the Post's sales personnel to follow up with prospecting calls.

Figure 61 (cont.)

Presence at marketing fairs and exhibitions	<ul style="list-style-type: none"> • This is a classic public relations technique. If the Post has a stand or other form of presence at such events and obtains a profitable number of direct and digital marketing prospects as leads, then the activity should surely be repeated.
Catalogue of direct and digital marketing suppliers	<ul style="list-style-type: none"> • In those countries where there are reputable associations, consultants, agencies, list brokers, database programmers, specialized printers, finishers, contact centres and/or fulfilment houses, the Post may facilitate the access of interested direct and digital marketers by publishing a catalogue of suppliers. • This can be done in a print brochure distributed by direct mail to known customers. It can also be offered in advertisements in the media and online, allowing interested prospects to identify themselves by "hand-raising". • Whichever way, the Post should be sure to get the contact data of the new prospects who request the catalogue, so that the direct marketing sales team can follow up on the lead. This can be done when people call a toll-free number to request the catalogue or through a form that pops up online for the interested party to complete in order to get the catalogue.
Relations with educational institutions	<ul style="list-style-type: none"> • The results of these relations will come in the long term, once the students are active in the business community. And they are best undertaken once direct and digital marketing has a proven track record in the Post, so the students can be shown successful local examples. • These actions are probably best for developing countries where a body of work on direct and digital marketing exists. • Many Posts do outreach to primary and secondary schools, and the benefits of direct and digital marketing to society should definitely be explained in these programmes. But specific direct and digital marketing product and service promotion should be done at the university or tertiary levels. The principal careers to be targeted are advertising, design, communications, marketing and business administration. • The activities for students can include group visits to the Post to learn about direct and digital marketing, mail processing, addresses, postcodes, etc.; summer internships for students with the Post's special direct marketing team; the Post's participation in formal educational activities such as seminars and classes to teach the benefits of direct and digital marketing and how to achieve them; awards for the best student work on direct and digital marketing, etc. • The Post can also organize activities for university professors and assistants to provide them with teaching tools for direct and digital marketing.

This is a long but not exhaustive list of the activities that the Post may engage in to promote direct and digital marketing among customers and prospects. The Post should select the means that are most appropriate for its country

according to the current state of development of direct and digital marketing.

The table below summarizes the chapter on direct and digital marketing education and promotion.



Direct and digital marketing education and promotion

- Customer education is one of the two principal areas to be mastered in order to get direct and digital marketing into a growth mode in developing and least developed countries (the other is list availability, discussed earlier in this Guide).
- It all starts with training postal staff so that they are knowledgeable about direct and digital marketing in general and about the Post's related products and services.
 - Special direct marketing team
 - » The first people to be trained are the Post's specialized team.
 - » There are up-to-date books, in addition to this Guide, that cover direct and digital marketing, although they are not written from the perspective of the Post. But regardless, the Post's specialists must grasp the overall panorama of direct and digital marketing in order to understand how postal customers view these activities. So it is very useful for the specialized team to read the best of the existing publications.
 - » Likewise, there are excellent courses offered by known international direct marketing training institutions – either in person or online – that cover the subject matter. Attending good quality direct and digital marketing courses is extremely useful because it amplifies the postal employee's knowledge of the Post's own products and how they fit into the overall media picture.
 - » UPU training initiatives in direct marketing
 - This Guide will soon be converted into an online Trainpost course for postal employees. Visit www.upu-trainpost.com to access it once it is published on the Web.
 - The UPU's DMAB holds educational conferences twice a year in Berne and also offers workshops in different regions of the world.
 - All postal direct mail experts are invited to stay up to date on what is happening in developed and developing countries via the *DMAB Update* e-mail newsletter.
 - » Benchmarking is an invaluable aid for developing and improving many business processes and practices, including direct and digital marketing. The Post's special direct marketing team is encouraged to benchmark with postal colleagues in both developed and developing countries.
 - Training postal staff
 - » For direct and digital marketing to prosper in the Post, it is fundamental to obtain the CEO's public support. All personnel must know that direct and digital marketing is a priority, and why. Regular staff communications via the intranet, an in-house magazine, and bulletins can be used to spread this message.
 - » Two areas in the Post must be trained in depth: sales and operations. With the clear support of the CEO, the special direct marketing team can train these areas.
 - » Sales training is probably the most important factor in increasing the volume and income from direct and digital marketing products and services.
 - Training customers: this is one of the highest priority tasks for advancing direct and digital marketing in developing and least developed countries, according to the experts surveyed prior to the writing of this Guide.
 - » Customers can be divided into two major groups, according to their principal uses of direct and digital marketing: B2C, meaning companies that sell mostly to consumers; and B2B, meaning companies that sell mostly to other businesses.
 - » For training purposes, the Post should look at the size of the companies (are they large corporations with many customers or are they SMEs) when deciding whether to conduct training presentations for companies on an individual basis or by grouping several customers together.

- Marketing and promotion of direct and digital marketing in general
 - » The tools for promoting direct and digital marketing to the market as a whole are general marketing techniques. It should be kept in mind that these activities will also assist in engaging the interest of and training existing customers of the Post, although the best way to reach them is as described in the previous point of this summary.
 - » With direct and digital marketing in general, it must be kept in mind that the Post's audience is businesses, and the media selected should cater principally to them. Spending money on consumer media would not be a good investment.
 - » Many ideas are provided in the table in Figure 61 above, such as:
 - cooperating with associations and trade groups on customer and prospect education in direct and digital marketing
 - having the Post directly educate companies
 - including educational information on the Post's website
 - using press relations to gain free coverage in specialized media
 - producing special publications (books, brochures, newsletters, etc.)
 - creating a special reference library offline and/or online for parties interested in direct and digital marketing
 - participating in fairs and exhibitions
 - creating a catalogue of industry suppliers
 - developing relationships and activities with educational institutions

CHAPTER 9 – BEST PRACTICES

There are two types of best practices in direct and digital marketing: those related to what Posts do to encourage and facilitate direct and digital marketing activities, and those related to societal concerns regarding the way in which they are executed. Both are discussed below.

Examples of postal best practices for developing direct and digital marketing

Several Posts have created practices and products very favourable to the development of direct and digital marketing. These initiatives are excellent examples for Posts in developing and least developed countries to emulate to promote direct and digital marketing in their own nations. A good number of these initiatives are described below, in what is not intended to be an exhaustive list of all best practices and of all the Posts that engage in them, but rather, a series of illustrative examples.



A special class for advertising mail or direct mail – a best practice of innumerable Posts throughout the developed and developing world: Although the

need for special lower prices may seem a little obvious to most, according to the 2013 UPU study, more than 60% of Posts in developing and least developed countries have still not established a special price for direct mail. This best practice is very important if direct mail is to grow. If regulatory considerations make it difficult to establish a different list price, then the Post should use the arguments described on pp 104-105 to obtain permission for price reductions or rebates for cost savings produced by the mailer (such as high volume, correct addressing, pre-sorting, barcoding when this technology is useful, etc.).

Special drop-off and/or pick-up services, offered by innumerable Posts throughout the developed and developing world: Obviously, a direct mailer that sends hundreds or thousands or millions of pieces at a time cannot be required to queue up with customers at the counter to post the mail. The creation of special reception centres that accept only mailings from large mailers is the most common solution. And some Posts offer to arrange pick-ups of large mailings at the customer's premises, either on set days every

week or month or on a pre-arranged basis, and take those mailings to the postal processing centre.



Evidence of delivery quality: ISO 9001:2000 in Brazil, among others: In some developing and least developed countries, a lack of confidence in the reliability of delivery services may be an obstacle to the use of direct mail. It does not matter whether in reality the services are actually quite reliable or not; if companies perceive that their messages may not be delivered correctly, this perception is an obstacle to the use of direct mail. The Brazilian Post, like other Posts such as Argentina's, has obtained certification under the ISO 9001:2000 standards for quality management. While certification does not necessarily guarantee the quality of the delivery services provided, it does indicate that formal business processes designed to produce quality results are in place. Certifications, provided according to different standards, including ISO standards, are very prestigious in the business world and are a public testimony to these Posts' commitment to providing quality service. The Posts that have ISO certifications use them not only as internal reminders to uphold quality standards, but also as a marketing tool to enhance their image of quality in delivery and other processes.

When delivery information is vital, a special product at Correo Argentino provides a solution: Further "proof" of the Argentinean Post's determination to dispel any doubts about delivery quality was the launch of a new product some 10 years ago called *carta registrada* (not to be confused with the "registered mail" product offered by most Posts – the equivalent of which in Argentina would be the *carta certificada*). In response to customer demands for proof of delivery and delivery information at an affordable price for large mailings (which require prices much, much lower than registered/certified or express mail and which are not usually urgent per se), the Post created the *carta registrada*. The product applies track-and-trace technology on a simplified scale so that items are registered upon acceptance at the Post and upon delivery to the recipient's address, with the Post's tracking number associated with the customer's identification number for the item. This allows the Post to inform customers during the delivery time frame – which may be fairly long, possibly J+5 or more, because these mailings are not

necessarily urgent – which items have already been delivered, which are still in the pipeline, and which are being returned as undeliverable and why, all in a digital format. The *carta registrada* also offers the option of obtaining the signature of the person who received the item, at a slightly higher cost. This product has allowed the Argentinean Post to compete successfully with private delivery services in that country that offer similar services, which sometimes involve cumbersome paper lists per carrier walk, on which recipient signatures are gathered as proof of delivery. The *carta registrada*, although much less expensive than certified mail, is obviously much more expensive than bulk mail. However, some direct marketers find it worthwhile to pay the extra price for certain items, such as for deliveries of expensive magazines and catalogues and for mailings that are part of a cross-channel strategy, offering high-cost products and services (many but not all of them B2B) that will be followed up by outbound telemarketing. In the latter case, the ongoing delivery information helps marketers to follow up on their costly mailings as soon as the potential customer has received them, and eliminates the wasted telemarketing expenditure that results from calling prospects who have not yet received the mailing. This is an important point, because the cross-channel strategy of pairing direct mail with outbound telemarketing, although very effective, is rather expensive. Calling before the stimulus arrives is a big waste of money and, as a result, is a stab in the back to the ROMI of the campaign.

A less complex way of getting a feeling for delivery quality: Trinidad and Tobago Post offers incentives (discounts, prize drawings, etc.) to get consumer feedback so that it can measure the effectiveness of delivery. Surpost in Suriname does the same, requesting responses by SMS.



Specialized direct marketing offices – the Brazilian Post's "ECMD" and the South African Post Office's Direct Marketing Services: In 2001, the Brazilian Post established a specialized office that provides consulting, guidance and support services to direct marketers. The staff of this office are exclusively dedicated to promoting and developing direct marketing in Brazil and offering the Post's direct marketing products and services. They are trained to seek innovative solutions for the prospecting, distribution and logistics needs of large, medium and small enterprises. They also liaise with direct marketing and advertising agencies, telemarketing centres, fulfilment firms, printers and distance selling/e-commerce enterprises. Among their objectives are to

provide consulting services, design direct mail projects, establish partnerships with industry players, share experiences, disseminate examples, communicate trends, hold events, and otherwise maintain a close relationship between the Post and the market.



The Direct Marketing Services at the South African Post Office also offers advice and training on the planning, development and implementation of direct marketing campaigns. This resource is available to any size of business, but aims principally to help SMEs. The consultants at the Direct Marketing Services offer assistance for all phases of direct mail campaigns – from creating the mailing (copywriting and design), to selecting customer lists, to choosing the most cost-effective postal products. They also have a new product called "Testmail" for testing the results of campaigns in different media – direct mail, e-mail, street promos at traffic lights – prior to roll-out. (The reader is reminded that testing is a way of life for the direct and digital marketer, as discussed on pages 78-79.) The retail sector figures prominently among the customers who have adopted this service. Direct mail is just one element in these tests, which have increasingly become multi-media.

The Direct Marketing Services has developed training sessions and workshops at which the benefits of direct mail are explained, and the participants are provided with a detailed how-to approach to putting a direct mail campaign together from inception, to production, to implementation.

The Posts in both Brazil and South Africa reach out not only to marketers, but also to other industry players, such as the suppliers in the direct and digital marketing value chain mentioned earlier on pp. 107-109, direct marketing associations and higher educational institutions. Both Posts are very active in promoting direct marketing at business conferences, in communications media and at their own training sessions, workshops and roadshows.



The Golden Mailbox Award – the United States Postal Service in conjunction with the U.S. Direct Marketing Association: Prize competitions and shows are a classic means of promoting an industry or an activity. This is also true of direct marketing and direct mail. In those countries where a direct marketing association exists, many of the DMAs hold annual awards competitions to recognize the year's best direct marketing campaigns. These

awards usually feature not only direct mail, but also telephone and digital marketing. So, in the prestigious ECHO Awards organized by the U.S. DMA, the USPS sponsors its Golden Mailbox Award, one of the most esteemed distinctions in the ECHO competition. This award recognizes, among all the ECHO winners, the most innovative use of direct mail and makes the activity stand out among the other direct marketing disciplines. Several other Posts work with their national DMAs to sponsor similar awards, including the Brazilian Post, which awards the Prêmio Correios de Marketing Direto, and the South African Post, which sponsors the Assegai Awards.



Building of mailing lists – Australia Post Lifestyle Survey:

Even in a country where professional list brokers abound, since 1997 Australia Post has seen fit to conduct what is known as a lifestyle survey, a voluntary questionnaire mailed to millions of households (or answered online), inquiring about subjects such as leisure interests, holidays and travel, shopping, health and fitness, home ownership, motor vehicles, money and investments, charitable concerns, and general demographic data such as occupation, household income and pet ownership. The Post's marketing team uses this information to create lists for direct marketers that are custom-tailored and targeted so that the mailing, phone call or e-mail will reach consumers who specifically want to know about the product or service being offered. Over 600,000 households responded to the 200-question-long survey because, according to a Post official,⁶⁴ "[t]hey see lifestyle surveys as a way of getting information which is relevant to their individual interests. This saves them time and money". Therefore, the Australia Lifestyle Survey is considered by the Post to be "one of the most powerful lifestyle databases in Australia for use by direct marketers. It contains the product preferences, purchase intentions and lifestyle details of over one million Australians who enjoy receiving relevant and interesting offers in the mail". A more detailed discussion of this survey can be found on p. 86, and the complete questionnaire can be viewed in the Appendix on pp. 193-197.

Segmenting for unaddressed mail without using sophisticated data technology: Zimbabwe Post has recruited the assistance of its mail carriers to gather information on doors and doorbells, socio-economic level, etc., for the purpose of segmenting unaddressed mail. Among other uses, their unaddressed mail product is

proactively marketed to establishments that are opening up new locations and that are interested in distribution within a specific physical radius around that locale.

Micro-geographic segmentation, postal code derivatives for addressed and unaddressed mail:

In the late 1990s, the Argentinean Post made a large investment in developing an advanced postal code system covering the entire country, similar to those used in Britain and Canada, which identify very small geographic areas (in Argentina, it is the "block face" – the side of the city block on which the address appears, so each block has four postcodes). The cost justification of the new postal code system mostly had to do with new machine sorting processes. However, the marketing implications of this development were identified as a potential volume-booster and source of new postal revenues. So both the Post and authorized private suppliers cross-referenced the postal codes with GPS data, census data, telephone directories and other unrestricted public information to create powerful geographic databases that are extremely useful in many areas, including logistics, emergency services, company decisions on branch locations, and – of course – direct marketing campaigns. Argentinean marketers can perform very fine micro-segmentation based on detailed census data, and can obtain from legitimate list brokers names, addresses, phone numbers and other data on people living at these postal codes, resulting in marketing lists that are very highly targeted and that should therefore have very high response rates. Obviously, this powerful database tool also empowers the Argentinean Post to create excellent segmentations for unaddressed mailings.



Promoting the personalization of direct mail to increase response rates – Xerox Corporation:

This best practice comes not from a Post, but from a supplier of digital variable printing technology. It is most applicable to the more advanced developing countries and to the higher-income segments of least developed countries that may already be receiving a considerable number of direct mail pieces. The ROMI of direct mail is extremely important, as has been discussed already in this Guide. The higher the return, the more direct mail pieces the marketer will send. Personalizing the direct mail piece (not just printing the name and address of the recipient and/or personalizing the salutation, but going one or more steps further as shown in the examples on p. 92) almost always increases the response rate much more than proportionately



to the cost, and thus significantly increases the ROMI of the mailing. However, personalization and digital printing usually cost more than regular offset printing. So, even direct marketers can have doubts about incurring the extra expense of personalizing their messages to a high degree. Convinced that well-done personalization is an excellent way to increase the response rate, and in so doing to increase ROMI, the Xerox Corporation in southern Latin America makes case-by-case offers to experienced direct marketers: in a direct marketer's next major mailing, Xerox will cover the printing cost of a few thousand pieces that are highly personalized, so that the marketer can compare the response rates and ROMIs of the personalized items with the normal non-personalized pieces. What better way to get direct mailers to try true personalization and prove that it is much more profitable than other types of marketing communications? In the long run, this will surely lead to more postal volume, since the most profitable means of marketing communications (in this case, highly personalized direct mail) will be increasingly used.

Packaging the services to make direct mail easier for marketers to implement: Saudi Post has a turnkey addressed and unaddressed direct mail product that includes lists, printing (both offset and variable), finishing and distribution. (This is the service used for the charity campaigns featured in Figure 34.) Saudi Post also has the capability of personalizing plastic cards and carrying out direct response advertising via SMS, telemarketing and print in the Post's owned media for its corporate customers. In 2015, Saudi Post will roll out data modelling to assist customers in better targeting for direct marketing campaigns through sophisticated segmentation techniques and insights gleaned from data analysis.

Surpost from Suriname has created both unaddressed and addressed direct mail products that are "packaged" and sold as advertising, in which the postage is not priced separately and which include full design and printing services, as well as target segmentation and delivery.

Cooperating with players in the value chain and partnering with customers: Several interesting examples of best practices have been presented in recent years at the various regional workshops that the DMAB holds throughout the world. Some of these are described below.

Surpost complements its "packaging" idea, described above, with an interesting tactic to

partner with providers in the direct marketing value chain: the Post develops the "advertising" (direct mail) products fully and later outsources the products to third parties better equipped to provide and sell the services to advertisers.

The Electronic Documents Centre (EDC) of the Emirates Post in the United Arab Emirates has partnered with a customer, the Road and Transport Authority (RTA), which communicates by mail with motor vehicle drivers in various instances for official purposes (renewal notifications, sending of vehicle registration cards and driver's licences, etc.). The EDC and RTA offer third party advertisers the possibility of including advertising messages in each mailing. The advertising messages are highly targeted, based on demographics such as age, gender, nationality and even the vehicle the customers drive. EDC offers the advertiser a full variable digital colour printing so that the ads can be personalized in each letter according to the characteristics of each segment. On request, EDC provides the advertiser with a detailed statistical summary of the database of vehicle owners and drivers. The types of companies that buy these ads are banks, insurance companies, car dealers, sellers of spare parts and auto supplies, oil companies, tyre manufacturers, the travel industry, retail chains, utilities, and other government agencies.

Saudi Post presents direct mail as a product offering for media agencies or buyers (the firms that sell advertising space in mass media), providing them with volume discounts to make direct mail attractive for them to promote within their varied portfolio of media.



Promoting direct and digital marketing in the market in general: Among the many things Posts can do to raise awareness of direct and digital marketing and of the Post's role as a protagonist in these media, an entertaining as well as educational public relations campaign carried out by Correios, the Brazilian Post, should be mentioned. To help silence sceptics of direct mail's effectiveness as a means of reaching consumers with a high degree of credibility and response, Correios conducted a "teaser" campaign – the sender (the Post) was incognito – in which postcards were delivered to 400 residents of a high-rise residential complex in the city of São Paulo. These people were told that, if they blinked their apartment lights that same day at 8:00 p.m., they would get a great surprise!



Television cameras sent by Correios were outside at the designated time to document that the great majority of apartments blinked their lights! The “surprise” was an impromptu serenade on the sidewalk by a well-known Brazilian pop singer. Circulating the video to the press and among business customers was an attention-getting way of proving that direct mail gets results!



Promoting e-commerce to obtain parcel post business: The Saudi Post actively promotes e-commerce purchases in order to obtain parcel post business. The Post encourages international purchases by providing mailing addresses in the United States, Europe, Australia, etc., to local consumers. When purchases are made, the Post

facilitates customs clearance and delivers to the buyer's home.

Contests, sweepstakes, sampling and couponing – a useful tool to build lists: Many Posts have created a special postal product aimed at encouraging marketing activities that get consumers to send letters in the hundreds of thousands, in order to participate in contests and sweepstakes and get free samples or coupons. In this case, it is not the marketer, but rather, the consumer who generates postal volume. The marketer communicates the offer, usually by mass media but sometimes by on-pack or in-pack messages on consumer goods products or other means, to get massive audience response. People reply to a P.O. box by letter or postcard and pay for their own stamps at the regular postage rate. This produces significant revenue for the Post and, since the delivery process is truncated at the P.O. box, the costs of handling this mail are considerably lower than regular letter mail. Part of these cost savings may be shared with the marketer in the form of discounts on outbound mailings or simply a monetary recompense, creating a very attractive incentive for marketers to engage in contests, sweepstakes, sampling and couponing activities. The Post can add special services to this product, like the data capture of the names, addresses, ID numbers and phone numbers of respondents – helping to build marketing lists.



Augmented reality in cross-channel marketing: The latest digital marketing techniques are by no means confined to

industrialized nations. In Chile, the toy manufacturer Hasbro uses catalogues to help children let their parents know what gifts they want. Hasbro has included augmented reality in its latest catalogues so that children can see animations of the newest toys on their parents' smartphones. The children can then indicate on the phone which toys they would most like to receive as gifts. This information is picked up by the mobile app and the parents are later advised by push notification of the toys their children requested. The smartphone not only adds sound and action in 3D to the toy advertisements in the catalogue, but it also drives parents to the e-commerce site to buy the gifts! Actually, this would be what is called “m-commerce” or mobile commerce because the e-commerce purchase can be made through the smartphone itself. Three channels are involved: from print catalogue, to mobile app, to Internet.



Electronic direct mail at Macao Post: Correios de Macau offers a secure electronic postal box service (SEPBox) that can be used in many ways, such as for registered mail, government information, legal notifications, and sending and receiving invoices – all in the form of e-mail. The exciting part for marketing is the electronic direct mail function, which allows marketers to send promotional e-mails, discounts, coupons and other offers to those users who subscribe to channels (this is permission marketing at its best). The illustration shows a user subscribing with the help of a QR code. The service is free for consumers, who can receive their e-mails on their computers or on their mobile devices.

DM Rocket – Singapore Post: SingPost's DM Rocket combines direct mail with digital solutions, offering customers services that bring their messages to life, opening new frontiers of highly personalized and sensorial consumer experiences. DM Rocket (www.dmrocket.com) enhances direct mail with SMS notice of delivery to the consumer. The site also provides access to samplestore.com, where marketers can provide free samples of products to consumers who request them and who are willing to review the products online. In addition, DM Rocket offers access to the Scan Delight smartphone app for reading QR codes on direct mail pieces, and offers the possibility of creating augmented reality experiences triggered on direct mail materials. SingPost also makes data services available to marketers. Its Marketing Lab is a sophisticated data management platform designed for cleansing data; obtaining insights by applying basic data mining tools like clustering,



decision tree and regression; and managing cross-channel marketing campaigns.

Physical to digital – Canada Post: Canada Post has done a wonderful job of facilitating the use of unaddressed direct mail by SMEs. View the Snap Admail video – certainly a best practice in communicating to this business sector – at <https://www.youtube.com/watch?v=IU5fcou4wP4> to see how it works, as well as the Post's online do-it-yourself service for small marketers.

Canada Post also offers Audiences and Insights, a group of services that provide customers with data, analytics, targeting and lists for direct marketing. See how it sells this in the video at <https://www.youtube.com/watch?v=8dd2t87pkF4>.

The Post is also promoting targeted online ads on its own website – where sections like the tracking page receive hundreds of thousands of visitors per day – as well as e-mail ads (including e-mails to that high-potential sales segment of people who have recently moved residences), mobile ads on the Post's apps, and even couponing opportunities on the sales receipts given to customers at post offices.

Canada Post's Rethinking Direct Mail programme is an educational campaign aimed at advertising agencies, teaching them how to synergize physical and digital marketing communications channels to produce greater sales for their business customers. Case studies combine highly targeted and carefully timed e-mails with direct mail and web support – such as interactive digital brochures customized to the customer's specific interests, bringing online the concepts explained in relation to the Bermuda tourism brochure (pp. 27-28) – to produce superior results.

Integrating logistics – Norway Post: Norway Post's vision statement expresses its aim to become the world's most future-oriented mail and logistics group. Bring is Norway Post's subsidiary dedicated to assisting business customers in mail and logistics in the Nordic area. Through Bring, the Post offers not only mail, parcel and warehousing services, but also cargo and refrigerated cargo services, in Norway and increasingly in other parts of Scandinavia. Bring Dialog supplies end-to-end campaign planning, as well as services for distance selling/e-commerce clients requiring relationship marketing tools and looking for deeper insights into customer behaviour and needs. The tools include CRM

Analytics and Segmentation, CRM and interactive systems on a SaaS platform, and the design and operation of customer loyalty programmes.

Targeting online advertisements – Deutsche Post DHL Group: The Deutsche Post DHL Group has positioned itself forcefully in the digital marketing world through nugg.ad, its subsidiary dedicated to programmatic advertising campaign planning and execution. Nugg.ad claims to be Europe's largest data management platform for audience targeting, brand advertising and data management. Powered by machine learning, and using predictive behavioural targeting that combines socio-demographics, product interests and lifestyles from intent and factual data, this DMP enables its clients to deliver highly targeted digital advertising for display, video and mobile advertising on direct sales or programmatic platforms.



Green delivery – Netherlands Post: Network VSP, a subsidiary of PostNL in the Netherlands, offers green distribution of addressed and unaddressed direct mail. Applying the WWF Gold Standard, Network VSP compensates for carbon emissions – as suggested below in this Guide in the section on environmental concerns – by investing in carbon credits that finance the production of clean energy (wind, sun, biomass) through small-scale projects, mostly in developing countries. The company also strives to consume less energy in its buildings and operational sites, takes measures to reduce the use of materials such as polywrap in the mailings it delivers, and takes care to segment deliveries so that the right households are approached with the right message, minimizing waste. Network VSP staff are also encouraged to use energy more sparingly, for instance by leasing cars with an A, B or C energy label only or by driving hybrid cars.

Proactive top-down sales effort – USPS and Thailand Post: The Global Envelope Alliance (GEA) is closely studying the effect that top executive sales calls on customers and prospects can have on direct mail sales. It attributes the halt in the decline of direct mail volumes in the United States to the fact that USPS Postmaster General Pat Donahoe and Marketing Vice President Nagisa Manabe spent a good deal of their time calling on clients. The suggestion from the GEA is that, in each country, the head of the Post and his or her five or six top executives should be calling on their business customers at their offices. Their objective should be to

determine what these large direct mailers would like the Post to do in order to get better service, and to convince these customers by using case histories and other material that they should allow a larger percentage of their advertising budget to be spent on direct mail. According to the GEA, if each executive calls on ten or twelve customers, the largest mailers in the country would be seen by the top postal officials. Moreover, in each city, the head of the local Post and his or her top executives should be calling on the important customers in their region that are not being seen by the national postal executives. It is recommended that calls be made at least once each quarter. The GEA reports that Thailand Post has also adopted this policy with great success.

Best practices with respect to societal concerns

In recent years, the world has become much more sensitive to certain basic principles related to human and societal rights, and two of these specifically have to do with direct and digital marketing: the protection of the individual's right to privacy with respect to his or her personal data, and the protection of the future of the planet by controlling the effects of marketing actions on the environment.

Although these imperatives might hold less sway in parts of the developing world, respecting these best practices in direct and digital marketing actually turns out to be more economical and contributes to higher ROMIs for the marketer, in addition to enhancing the marketer's status as a good corporate or institutional citizen. So the Post should follow these guidelines and urge its customers to do so too, no matter what the level of development of the country and its direct and digital marketing activity.



Privacy concerns

In direct and digital marketing, there are two major privacy issues: a) concerns regarding the personal data held and manipulated in order to do marketing, and b) concerns regarding the degree of intrusiveness of the communications channels. Each is discussed below.

a) *Best practices regarding the collection and processing of personal data in direct and digital marketing:* Since the proclamation of the Universal Declaration of Human Rights by

the United Nations in 1948, increasing attention has been given to protecting the individual's right to privacy. But it was not until the mid-1990s that the countries of the European Union led the world by issuing their Data Protection Directive,⁶⁶ which has significantly affected the way direct and digital marketers go about their business in Europe and which has influenced what has happened elsewhere. Since then, several countries outside Europe have followed in the EU's footsteps, including Switzerland, Canada, Argentina, and New Zealand.⁶⁶ These regulations are related mainly to the first concern listed above and they deal with all the uses, above and beyond marketing, that third parties might have for personal data (credit information, medical histories, opinion research, etc.). In this Guide, only the marketing aspects – particularly those related to direct and digital marketing – are discussed.

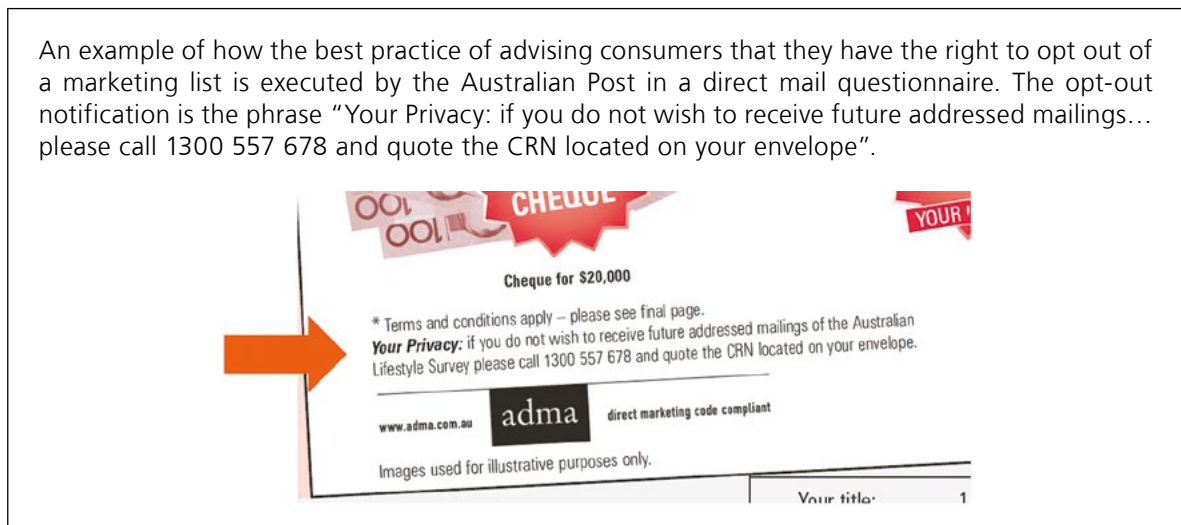
The norms are based on the principle that a person's data belongs to that person, not to the company that might hold it. So personal data for marketing purposes can only be held and used with the person's consent.



In practice, in most countries where personal data is used in marketing, the law allows people to provide an "implied" consent by not requesting that their data be blocked on a marketer's files. This modality is known as "opt-out" because the person may be included in the marketing database without prior consent, but may at any time opt to get out of the company's marketing circuit, with no conditions placed on his or her right to be removed from the marketer's files. To ensure this right, the best practice is for all direct and digital marketing communications – direct mail, telemarketing, SMS, e-mail marketing, etc. – to include a specific notice to recipients indicating that if they would prefer not to receive more communications from the marketer's company, all they need to do is call such and such a toll-free number, send off an enclosed postage-paid response card indicating their desire to opt out, click on a "remove" or "unsubscribe" link in an e-mail, or activate another opt-out vehicle. An example can be seen in the section of the direct mail questionnaire for the Australian lifestyle survey featured below in Figure 62.

Even where local legislation does not require it, Posts should consider including opt-out notifications in all their own marketing messages (printed within direct mail pieces, built into the scripts of outbound telemarketing calls, and

Figure 62



incorporated as links in e-mails) and should suggest that the messages sent by their direct and digital marketing customers contain them too.

The types of personal data that can be held, even if the country has an "opt-out" scheme relying on implicit consent like that described above, are restricted by legal norms in those countries that have such legislation and by best practices even where there are no formal regulations.⁶⁷



As a general best practice, a company may, with the intention of sending marketing communications, hold without prior consent for a reasonable period of time a person's name, address or addresses, listed phone number, identification numbers (like a national ID), occupation, birth date and other data freely available from publicly accessible sources. To this data, marketers may add presumed "consumer profiles" such as socio-economic level as defined by geographic data, inferences regarding preferences derived from previous purchases, etc. Obviously, a company may hold full information on its own relationships with consumers, including purchasing habits and other data voluntarily provided by customers, ex customers and prospects who have contacted the company to inquire about goods and services.

The company must not disclose this detailed relationship data to other marketers, but may share all the other data mentioned above (name, address, etc.) that does not require prior consent, including presumed "consumer profiles", some of which the company may have derived from

observed purchase behaviour. (Note: the large amounts of data gathered in lifestyle surveys like the one from Australia are collected with consent, since the questionnaire itself clearly informs the consumer that his or her responses will be shared with different companies. So no restrictions on sharing that data with other companies for direct and digital marketing purposes apply.)

There are certain types of personal data that are considered "sensitive" in many regions of the world and should never be held without explicit consent. These include information on such subjects as racial and ethnic origins, health data, political opinions, religious convictions, and sexual preferences. Note, for instance, how Australia Post observes the best practice with respect to sensitive data in its lifestyle questionnaire on p. 195 of the Appendix to this Guide: Section 3 of the survey inquires about consumers' health issues and religious inclinations. In italics prior to the formulation of the respective questions, the Post advises respondents that the questions in that box are of a sensitive nature and that responding to that particular section of the questionnaire is purely voluntary (see Figure 63 below).

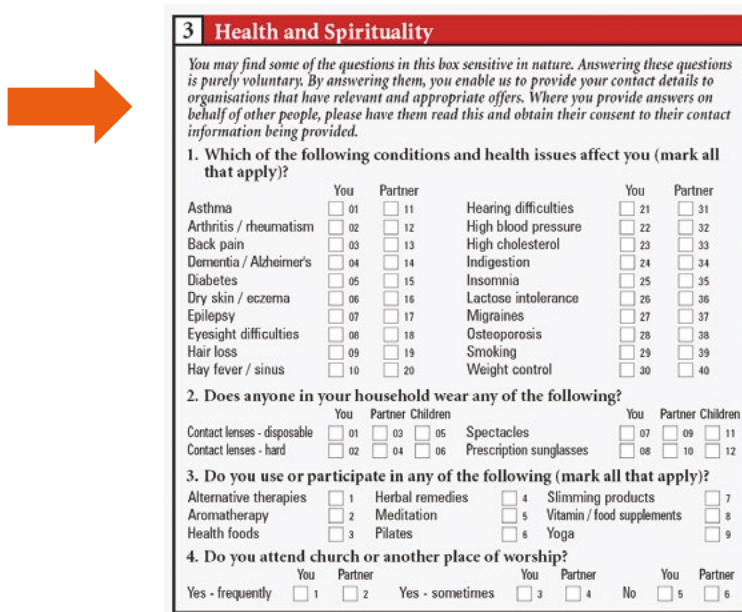
When a person exercises the right to "opt out" from the collection and processing of his or her personal data, the marketer must acquiesce immediately – or as soon as possible if there are already more messages in the pipeline – and desist from making further contacts, at least by the medium in which the opt-out was received. In other words, a person can opt out of telemarketing but allow direct mail, opt out of e-mail but allow

Figure 63

Another best practice in data protection

An example (from Australia Post's Lifestyle Survey) of a notification that data being requested is "sensitive", that responding is voluntary, and that, if responding for another person, it is necessary to obtain that person's prior consent.

The notice says: "You may find some of the questions in this box sensitive in nature. Answering these questions is purely voluntary. By answering them, you enable us to provide your contact details to organizations that have relevant and appropriate offers. Where you provide answers on behalf of other people, please have them read this and obtain their consent to their contact information being provided."



3 Health and Spirituality

You may find some of the questions in this box sensitive in nature. Answering these questions is purely voluntary. By answering them, you enable us to provide your contact details to organisations that have relevant and appropriate offers. Where you provide answers on behalf of other people, please have them read this and obtain their consent to their contact information being provided.

1. Which of the following conditions and health issues affect you (mark all that apply)?

	You	Partner		You	Partner
Asthma	<input type="checkbox"/> 01	<input type="checkbox"/> 11	Hearing difficulties	<input type="checkbox"/> 21	<input type="checkbox"/> 31
Arthritis / rheumatism	<input type="checkbox"/> 02	<input type="checkbox"/> 12	High blood pressure	<input type="checkbox"/> 22	<input type="checkbox"/> 32
Back pain	<input type="checkbox"/> 03	<input type="checkbox"/> 13	High cholesterol	<input type="checkbox"/> 23	<input type="checkbox"/> 33
Dementia / Alzheimer's	<input type="checkbox"/> 04	<input type="checkbox"/> 14	Indigestion	<input type="checkbox"/> 24	<input type="checkbox"/> 34
Diabetes	<input type="checkbox"/> 05	<input type="checkbox"/> 15	Insomnia	<input type="checkbox"/> 25	<input type="checkbox"/> 35
Dry skin / eczema	<input type="checkbox"/> 06	<input type="checkbox"/> 16	Lactose intolerance	<input type="checkbox"/> 26	<input type="checkbox"/> 36
Epilepsy	<input type="checkbox"/> 07	<input type="checkbox"/> 17	Migraines	<input type="checkbox"/> 27	<input type="checkbox"/> 37
Eyesight difficulties	<input type="checkbox"/> 08	<input type="checkbox"/> 18	Osteoporosis	<input type="checkbox"/> 28	<input type="checkbox"/> 38
Hair loss	<input type="checkbox"/> 09	<input type="checkbox"/> 19	Smoking	<input type="checkbox"/> 29	<input type="checkbox"/> 39
Hay fever / sinus	<input type="checkbox"/> 10	<input type="checkbox"/> 20	Weight control	<input type="checkbox"/> 30	<input type="checkbox"/> 40

2. Does anyone in your household wear any of the following?

	You	Partner	Children		You	Partner	Children
Contact lenses - disposable	<input type="checkbox"/> 01	<input type="checkbox"/> 03	<input type="checkbox"/> 05	Spectacles	<input type="checkbox"/> 07	<input type="checkbox"/> 09	<input type="checkbox"/> 11
Contact lenses - hard	<input type="checkbox"/> 02	<input type="checkbox"/> 04	<input type="checkbox"/> 06	Prescription sunglasses	<input type="checkbox"/> 08	<input type="checkbox"/> 10	<input type="checkbox"/> 12

3. Do you use or participate in any of the following (mark all that apply)?

Alternative therapies	<input type="checkbox"/> 1	Herbal remedies	<input type="checkbox"/> 4	Slimming products	<input type="checkbox"/> 7
Aromatherapy	<input type="checkbox"/> 2	Meditation	<input type="checkbox"/> 5	Vitamin / food supplements	<input type="checkbox"/> 8
Health foods	<input type="checkbox"/> 3	Pilates	<input type="checkbox"/> 6	Yoga	<input type="checkbox"/> 9

4. Do you attend church or another place of worship?

	You	Partner		You	Partner
Yes - frequently	<input type="checkbox"/> 1	<input type="checkbox"/> 2	Yes - sometimes	<input type="checkbox"/> 3	<input type="checkbox"/> 4
No	<input type="checkbox"/> 5	<input type="checkbox"/> 6			

telemarketing, etc. Compliance with the opt-out request will require the company to establish what systems experts call a "negative file": a file listing the contact data of all the people who have exercised their right to opt out. New lists that a company obtains from various sources may include the names of people who have opted out of the company's marketing messages. Therefore, all new lists must necessarily be checked against this negative file, and any matches must be purged prior to adding the new file to the company's marketing list, in order to prevent further contacts with a consumer who has opted out of the company's marketing initiatives. "We got your name again from a different source" is definitely no excuse for violating an opt-out order! Needless to say, marketers cannot charge people for opting out. The opt-out mechanism must be quick, easy and free.

Lastly, every company that engages in direct

marketing communications must respect a person's right to know the source of the data that the marketer is using. In other words, the question "Where did you get my name (or address or phone number or e-mail)?" must be truthfully answered whenever a consumer inquires. The marketer is also obliged to reveal to an individual all the personal data the company has on file about him or her, if the consumer requests this information.

A whole new set of issues has arisen with the advent of big data and advanced online targeting techniques like **behavioural tracking**, which is used principally for targeting online display ads, in which case they are called online behavioural ads (OBA) or interest-based ads (IBA). How does this work? A small text file – usually a cookie – is placed on the browser of a computer user, indicating a certain browsing behaviour observed on a website. When this happens and the





information is used only by the website that places the cookie on the browser, the practice does not raise important privacy concerns because the user has chosen to interact with that site. For instance, when an e-commerce firm like Amazon observes the type of merchandise a user examines without buying, places a cookie on the user's browser, and later serves an ad recommending similar products when the user returns to the site, the recommendation is called a "first-party advertisement" and does not make most consumers uncomfortable.

The privacy issue gets more complicated when third parties come into play. Today it is a fairly common practice for the browsing behaviour of a user to be used by and shared with companies other than the owner of the website the consumer visits, such as organizations called ad groups or digital ad networks.

The digital ad networks might compile information across multiple unaffiliated websites or applications over time and use it to create segments for targeted ads. For instance, if the profile indicates the user enjoys golf, ads for clubs may be served; if the profile signals tennis, then racquet ads would ensue. And these ads would be served on any number of sites that the user might visit – not just the e-commerce or sports sites where the original information may have been picked up.

This practice gives rise to various privacy-related issues, the most important being consumer discomfort (because it may not be obvious to the consumer what is happening, and that limits his or her ability to choose whether to participate or not) and regulatory initiatives. Countless surveys throughout the world have shown that consumers have concerns about this practice. And government and consumer groups are focusing on the procedure to determine if, in their opinion,

further regulation is required. The placement of cookies on browsers is already subject to certain advice and consent requirements throughout the European Union.⁶⁸

At the same time, consumers also appear to be more responsive to targeted display ads than to the generic display ads they most often replace. As a result, the advertising marketplace places a premium on such advertising, as is evidenced in a 2014 study conducted in the USA.⁶⁹

The direct and digital marketing industry has responded to these threats and opportunities with self-regulation. The Digital Advertising Alliance (DAA) is present today with its AdChoices⁷⁰ icon and programme in the United States. Sister programmes have been developed in Canada (DAAC) and in Europe (EDAA), and one is under development in Latin America. The objective of the programmes is to provide Internet users with easy-to-understand information on the practice of OBA, as well as with a mechanism for exercising informed choice on whether or not to participate in the system. This alliance sets standards for participants in OBA, which the industry prefers to call "interest-based advertising" because ads are served to users based on their observed online behaviour, which reveals their likely interests. The symbol used is the pointy blue icon carried by most ads in the AdChoices system and similar programmes throughout the world. Figure 64 below explains the purpose and usefulness of the icon.

Posts are urged to participate in self-regulation programmes like these and to encourage their marketer customers to do the same, because their principal purpose is to satisfy consumers' need to feel safe and respected by direct and digital marketing practices. As our attempts to tackle big data see us crossing consumer interaction data with information obtained from

Figure 64

How OBA self-regulation works

This icon is placed on the upper right-hand corner of the majority of the interest-based ads served by DAA participants, which include the largest Internet ad networks and advertisers in the world, such as Google, Procter & Gamble, AT&T, Microsoft, and American Express. By clicking on the AdChoices icon, the user learns about how and why interest-based ads are delivered and is provided with an opt-out option – by ad network or across-the-board – which the consumer can activate if he or she so chooses.



According to Lou Mastria, Executive Director of the Digital Advertising Alliance,⁷¹ the experience of AdChoices since its inception in 2010 has been that most consumers who click on the icon read what interest-based advertising consists of and see that they are afforded choice, and they seem satisfied with that because they do not exercise the opt-out option offered on the landing page. Of the nearly 40 million unique visitors to the AdChoices page through early 2015, fewer than 6 million opted out of data collection for interest-based advertising.

Surveys conducted by Zogby Analytics⁷² indicate that over 75% of U.S. consumers say that they prefer free content on the Internet supported by advertising as opposed to having to pay for content with no ads. More than 68% expressed a desire to be served ads for goods and services that reflect their interests, as opposed to 16% who preferred generic advertisements.

Therefore, it would appear that in the United States, the vast majority of consumers accept interest-based advertising with the protections inherent to and afforded by the DAA programme, starting with transparency (notice) and control (choice and permission), and including the programme's independent enforcement mechanisms, among other aspects.

other sources (like the Internet of Things), these privacy issues will become ever more complex and serious. The only way to face them and ensure consumer privacy, while preserving the targeting powers of direct and digital marketing that also benefit the consumer, is to apply self-discipline. To quote Rick Erwin of Experian, a marketing services firm that helps data-driven marketers with effective targeting: "the responsibility to maintain consumers' privacy lies with every participant in our industry."⁷³

b) *Best practices to avoid invading the consumer's intimacy ("intrusion")*: If privacy questions are the top issues for digital marketing via the Internet, the situation is slightly different when it comes to direct marketing communications like direct mail, telemarketing and e-mail.

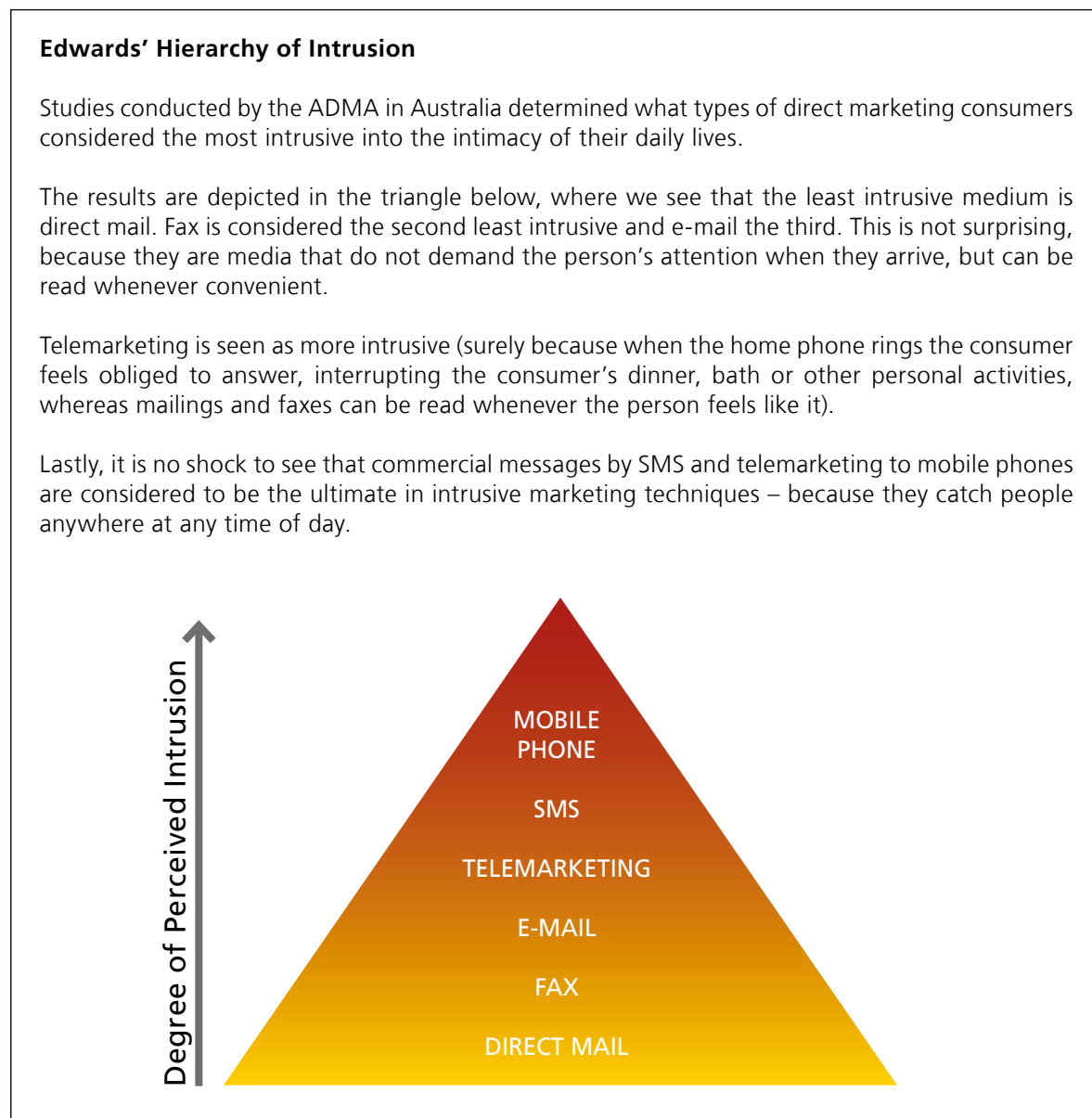
Rob Edwards,⁷⁴ the former president of the ADMA in Australia, gave a presentation at the Global Symposium on Self-Regulation of the Direct Marketing Industry in New Orleans, in which he noted that most of the legislation affecting direct marketing throughout the world was aimed at protecting consumers' personal data. However, in direct marketing – including direct mail,

telemarketing and e-mail marketing – people were much less concerned about companies **holding** the type of data they use to do their marketing, and were much more disturbed by the times and ways direct marketers chose to **intrude** in their lives to deliver their marketing messages. Edwards described what he called the Hierarchy of Intrusion, as seen in Figure 65.

So, in the area of direct marketing privacy concerns, the sensation of intrusion is currently an even more sensitive factor for most consumers than data possession. The good news for direct mail is that it is seen as the least intrusive of all direct marketing media. As an important aside, this is a very relevant distinction in comparison with e mails and gives direct mail a big comparative advantage that can be used as a selling point to marketers who are choosing among media, especially in relation to prospecting e-mails, about which readers have already been cautioned in Chapter 1.

The sensation of greater intrusion attributed to e-mail is the reason that some companies and societies, and in some cases even legislation, are requiring that consumers opt in to e-mailing lists in order for marketers to be able to send them e

Figure 65



mails – this type of opt-in requirement is also called “permission marketing” in some circles, and lists that respect this criterion are called “permission lists”. Direct mail undoubtedly has a higher cost per message sent, but it is more acceptable to customers than e-mail from the non-intrusive standpoint and almost certainly will have a much higher readership because of this, and therefore a higher ROMI, in the context of prospecting messages. It should be emphasized, however, that once a relationship is established between the company and consumers, e-mail communications are welcomed by consumers and have a high open rate and readership. This is the reason that e-mail is very often substituting for direct mail in relationship and loyalty programmes, as mentioned on p. 54.

In all direct marketing media – whether or not required by legislation in the Post’s country – it is important to respect the best practice of giving people a choice as to whether or not they wish to allow direct marketers to communicate with them. For this reason, direct marketing associations in developed countries have for many years offered what are known as preference services, in which consumers can register their names and addresses (or phone numbers in the case of telephone preference services) so that the DMA can require their member companies and exhort non-members to desist from sending the undesired communications, thereby creating an “industry-wide” impact by intent and design, as participation grows and matures. Preference services are divided according to means of

communication: mail preference services, telephone preference services and e-mail preference services. (And today AdChoices, as explained above, has become the online interest-based advertising preference service!) As technology develops, we are beginning to see the creation of SMS or MMS preference services for people who do not want to receive marketing messages on the screens of their mobile phones.

The informal name for preference services is “Robinson Lists”. This term was coined in the second half of the 20th century in European marketing circles, likening people who want to isolate themselves from direct marketing messages to the fictional ship-wrecked character Robinson Crusoe, who lived alone on a tropical island isolated from the world. A very interesting guide on Robinson Lists worldwide has been compiled by FEDMA and is available online.⁷⁵



In recent years, governments have been intervening in providing preference services. Most notably, in the United States in 2003, the national government established a “do not call registry” in which all citizens could register their phone numbers in order not to receive outbound telemarketing calls. A similar system existed previously in the United Kingdom and was later adopted by Canada, Australia, Mexico, the Netherlands and Argentina. In most of these countries (except for Mexico and Argentina), the consumer response was quite high, surely owing to the level of intrusion that people were experiencing from too frequent telemarketing calls.

To date, there are no legally mandated national “do not mail” registries in the world, although in several U.S. states, as well as in some countries, potential legislation to this effect does exist. The reason for this movement, although also connected with privacy, is closely related to the second major point regarding best practices (environmental concerns) and as such is discussed further below.

In a move to pre-empt state and national “do not mail” legislation, the U.S. DMA has radically revamped its mail preference service, originally created in 1971, to allow consumers to manage the amount and types of mail they receive. This new service can be seen online at www.DMAchoice.org. Images from this site can be seen in Figure 66 below. The site divides direct mail into four major categories: credit offers,

catalogues, magazine offers and other mail offers. Consumers can ask to start or stop receiving mail from individual companies within each category – or from an entire category at once. So DMAchoice is both a vehicle for opt-out requests from people who prefer not to receive direct mail, and an opt-in vehicle for people who would like to receive more direct mail from selected companies or on specific product and service categories that interest them. DMAchoice is currently working with the USPS to create an opt-out for unaddressed direct mail.

A very important point about Robinson Lists, as well as about people who opt out on a company-by-company basis, is that they do marketers a big favour in identifying themselves. Keeping ROMI high is vital in direct marketing. The Robinson is the marketer’s best friend. There is a virtuous – as opposed to vicious – circle in direct marketing, as seen in Figure 67: if a prospect does not want to receive offers, the marketer most certainly does not want to spend money on sending them to that prospect! Such prospects assist marketers in increasing the ROMIs of their campaigns. Since the marketers have been advised that these people do not want to buy, they save the cost of sending them messages! Here’s to you, (Mr and) Mrs Robinson!

There is a key role for Posts, as national institutions, to be an example and a guide in the era of direct and digital marketing, which increasingly raises – especially in the context of big data, explained in Chapter 4 – important data protection and privacy issues. Sébastien Houzé of FEDMA, at the Post Expo⁷⁶ event organized jointly by FEDMA and the UPU in September 2014, advised Posts not to be “just” another platform for direct and digital marketing, but to become “the most secure, the most transparent, the most customer-friendly, the most respectful” communications platform as far as data protection and privacy are concerned. This is very wise advice. In particular, Posts in developing and least developed countries are in a position to assume a leadership role, showing their nations how to develop direct and digital marketing, and promoting opportunities for businesses and the overall economy to grow while at the same time respecting the consumer’s right (1) to control the use of his or her data, and (2) not to be interrupted in private places and moments.

Environmental concerns

There are two major types of environmental concerns associated with direct and digital

Figure 66

This is an image of the home page of the site www.DMAchoice.org, a sophisticated version of a mail preference service, which allows consumers to opt in or out of the mailings of individual companies, or to opt in or out of whole categories.



Sample page from the www.DMAchoice.org website, showing how consumers can pick the individual catalogues they wish to receive or wish not to receive, or stop the sending of all unsolicited catalogues. Similar pages exist for mailings from banks and financial services companies, magazines and other categories.

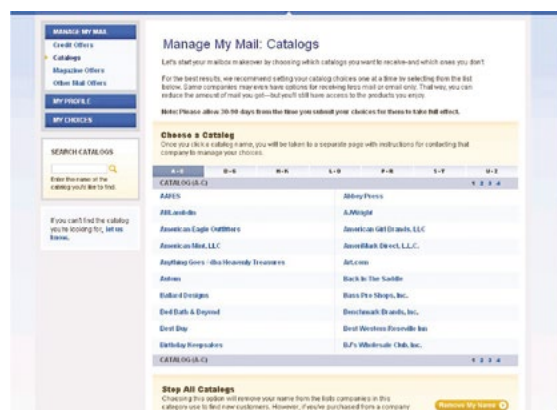


Figure 67

The virtuous (as opposed to vicious) circle of direct and digital marketing, with respect to opt-outs and Robinsons

*If a prospect does not want
to receive our communications...*



*... we don't want
to send them to him !*

marketing: a) toxic and other wastes and their disposal, and b) contribution to global climate change. Both issues are discussed below, and it is first useful to put this subject into perspective. The graph in Figure 68 shows municipal figures for the United States, by far the largest generator of waste in the world. Here we see that that country's booming direct mail business accounts for only 1.4% of all solid waste. This chapter will discuss very seriously the social responsibility of direct marketers with respect to environmental conservation. However, it should be kept in mind that direct mail is a fairly minor factor in the world's overall waste and climate change difficulties.

a) *Waste produced as a result of direct and digital marketing and the disposal of its physical elements and supports:* The accumulation of waste in the world is a major

problem. To date, the principal method of solid waste management in most municipalities throughout the world has been landfill. However, municipal landfills are becoming increasingly unpopular because they have become associated with environmental problems. Furthermore, in many areas of the world, landfill space is running out, and landfill shortage crises threaten to occur in many regions unless the tonnes of waste currently dumped at landfills can be rapidly reduced. Waste accumulation is a recognized problem in developing and least developed countries. Growth in direct mail will inevitably create more paper waste to be managed, but as shown in Figure 68, newspapers and magazines – which are mostly funded by advertising – contribute more substantially than direct mail to paper waste. In printing, the use of certain

Figure 68

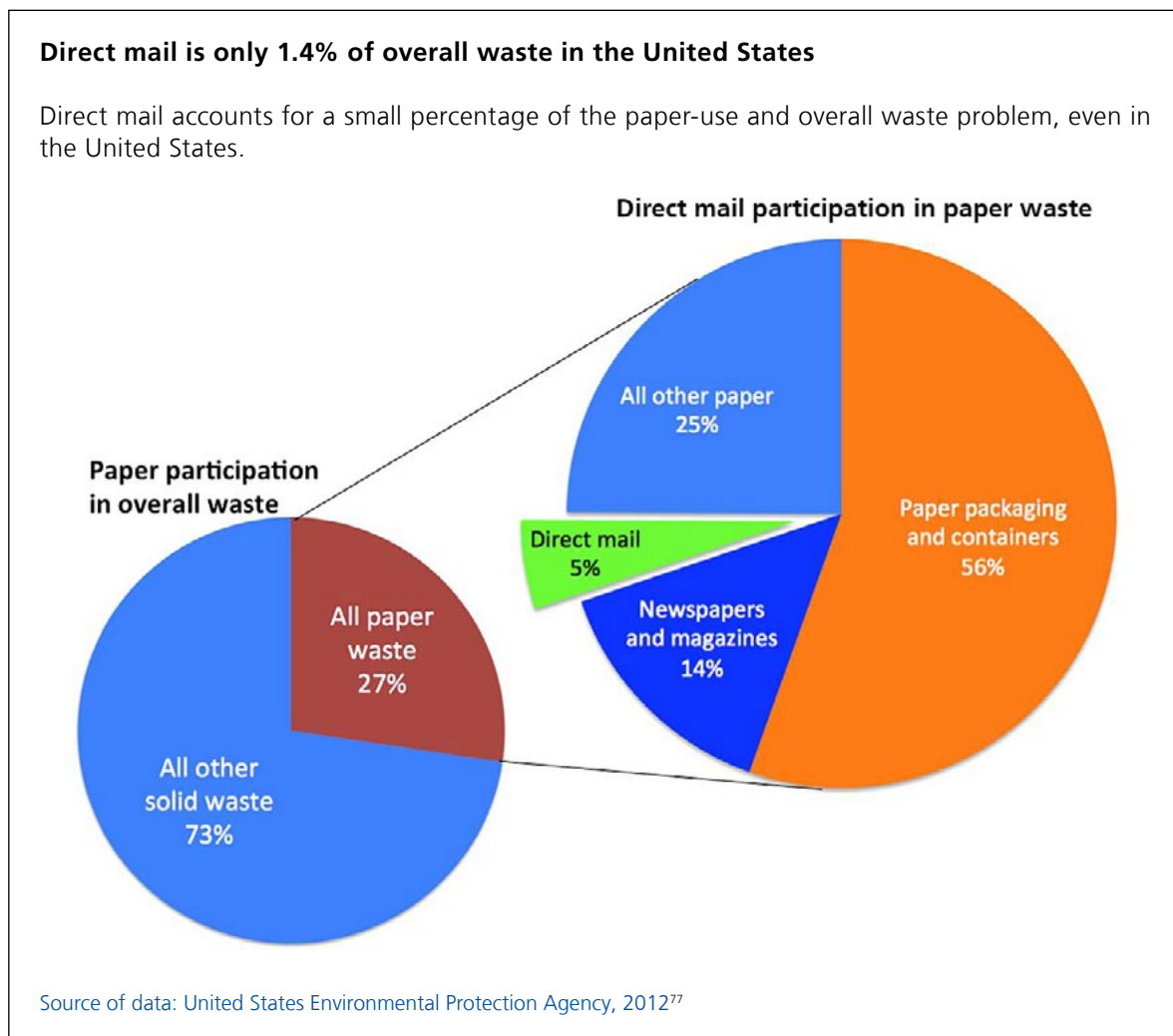


Figure 69

Electronic waste and the carbon footprint of digital marketing are as of much concern as paper usage in traditional marketing media.



petroleum-based inks that contain heavy metals also poses a toxic threat from print materials.

Electronic and digital media (television, mobile phones, e-mail, Internet) likewise constitute a major waste problem. It is estimated that 41 million tonnes of electronic waste – which includes television sets, computers and mobile devices of all types – was generated in 2014 and 47 million tonnes will be created in 2017; this is a major concern because a large portion of this waste is toxic in nature.⁷⁸



b) *Global climate change:* Today, the vast majority of scientists agree⁷⁹ that global warming exists and that it is a result of human activity, especially the burning of fossil fuels such as coal, gas and oil and the clearing of forests. These activities have severely increased the amount of carbon dioxide (CO₂) and other so-called greenhouse gases in the Earth's atmosphere, causing temperatures to rise.

Direct mail contributes to global warming through paper use and transportation. Paper use contributes to the growth in greenhouse gases

when trees are cut down and not replaced (since forests absorb CO₂ from the atmosphere), when paper is produced and transported, when the printing process takes place, when paper biodegrades in landfills (because when it decomposes it emits methane), and even when the paper is recycled! Developing and least developed countries share in this problem. In many Latin American cities, for example, almost all paper waste from homes and offices is gathered at curbside every evening prior to the arrival of the garbage truck by an army of people who scratch out a living by scavenging through trash to pick out appropriate materials to sell to recycling centres. This practice helps to combat one of the environmental problems associated with paper use: the accumulation of waste. But it is unclear how much of a positive effect recycling has on the second issue: global warming. The transportation of the direct mail from sender to recipient also produces CO₂.

The amount of greenhouse gases emitted as a result of direct marketing (or any other activity) is known as its carbon footprint. The author consulted several sources⁸⁰ to find estimates of the carbon footprints of direct mail and e-mail. There is considerable disparity in these

calculations, which is to be expected, since it is very difficult to define the “typical” e-mail or direct mail piece because many factors can vary – among them how the recipient interacts with the message. (Does the recipient print the e-mail? Does the recipient recycle the direct mail piece?) In the footnotes, some of the other figures are given, but in this text, a Belgian study will be cited. In that study, the carbon footprint of an e-mail is placed at between 4.8 and 5.6 grammes of CO₂, as opposed to 9 grammes for a direct mail piece. The researchers, however, are quick to point out that the e-mail will not be read by as high a proportion of recipients as the direct mail (the lower e-mail open rate was fully discussed on pp. 29-33 of this Guide). They consider that at least three times as many e-mails must be sent in order to reach the same number of people as the direct mail piece. Seen from this point of view, e-mails have carbon footprints 60% to 90% higher than direct mail!

This finding debunks the often-heard claim that e-mails are more environmentally friendly than direct mail. Not all experts would agree. Suffice it to say that the matter is complex and not clear cut.

All of the types of direct and digital marketing communications have carbon footprints. Newspaper and magazine advertisements have paper, distribution and disposal issues similar to direct mail. Television, radio, Internet and mobile ads use electricity, and used devices must be dealt with. As a matter of fact, one of the principal reasons for the fast growth of e-waste is the rate at which consumers in the developed world are changing their mobile phones in order to take advantage of the new functions being made available by the manufacturers.

Another significant source of CO₂ emissions and waste issues, common to all of direct and digital marketing, is the production and use of packaging materials for merchandise sold at a distance or online and the use of energy for the delivery of the respective parcels to the buyers. This produces plastic, as well as paper, waste.

So, environmentalists do not support the indiscriminate growth of direct and digital marketing, or of any other economic activity. Particularly in developed countries where the volume of mailings is significant enough to draw attention to the activity, some “Robinsons” opt out of direct mail for ecological reasons, rather than data protection or intrusion motives.

There are several ways in which direct and digital marketing can reduce its carbon footprint. Two are particularly applicable in the paper-based activities (direct mail, magazine and newspaper advertising, and packaging materials). One is by choosing more conservation-oriented providers (paper, ink, printers, transportation) to reduce the ecological impact of each piece sent and emphasizing recycling. In this respect, industry leaders like the U.S. and UK direct marketing associations⁸¹ recommend certain actions that are listed below. The logotype in the margin identifies the U.S. DMA’s “Green 15”, fifteen guidelines for environmentally friendly direct marketing, some of which are included in the following list.

- Choose paper suppliers who are committed to sustainable forestry and biodiversity.
- Use paper from sustainable sources accredited by government agencies or reputable NGOs.
- Buy paper that has been manufactured using advanced pulping and bleaching techniques, such as totally chlorine-free or enhanced elemental chlorine-free processes.
- Opt for suppliers who are certified under ISO 14001 environmental management standards.
- Eliminate environmentally undesirable elements, such as inks containing heavy metals or non-water-soluble adhesives, UV varnishes, and non-biodegradable polythene wraps, in the production of direct mail pieces.
- Use less ink in general and use only vegetable-based or alcohol-free ink.
- Include recycling exhortations on all direct mail pieces: these may include recycling logos as well as such messages as “Read, Respond, Recycle”.

Another way to reduce the carbon footprint of direct and digital marketing is for the marketer to compensate or offset CO₂ emissions. An interesting example of this was established by John Hardy,⁸² a Canadian jeweller who lives and works in Indonesia. Hardy is a magazine brand advertiser, not a direct and digital marketer, but the principle of offsetting carbon emissions is the same for both activities. Living in a developing country and sensitive to its needs, Hardy was concerned about the carbon footprint of his brand’s print advertising in U.S. magazines. He estimated that his annual advertising was responsible for emitting as much carbon as 34 elephants in a year. So he decided to offset this carbon footprint by planting bamboo on Nusa Penida Island, near Bali, where his workshops are located. Bamboo, like other plants, sequesters CO₂ from the atmosphere as part of the process



of photosynthesis, so planting more vegetation can compensate for the emissions caused by advertising or direct and digital marketing by absorbing an equivalent amount of CO₂.

So far, the solutions discussed have involved choosing more environmentally friendly supplies and suppliers, emphasizing recycling, and compensating for your company's carbon footprint. These solutions can sometimes be neutral in terms of outlay or can result in higher costs for the marketer.



But there is another group of recommendations that can undisputedly reduce the environmental impact of direct *and* digital marketing in all ways, contributing to reducing the carbon footprint and to diminishing the problems associated with the accumulation and disposal of volumes of waste. These solutions involve simply reducing the amount of paper and other pollutants and carbon emitters used. And it is in this area where the really big win-win moves (in which the marketer benefits as well as the environment) are to be found.

The following best practices all have to do with reducing wastage:

- **Targeting.** This is the most important recommendation of all. In direct marketing “less is more”. The marketer should attempt to send fewer messages per campaign, while still trying to produce the maximum number of responses:
 - Do a good job of targeting the recipients of direct mail (whether it be addressed or unaddressed), e-mail and telemarketing to avoid contacting people who simply are not and will probably never be candidates to buy the product or service in question. For instance, why send a mailing offering expensive clothing to people who live in a very low-income neighbourhood? Why offer business magazines to a general audience? Why phone your entire list of contacts to request increased donations to your NGO, when some of those contacts just upped their contributions in the last few months? Why use network television to advertise your denture adhesive? And the list goes on.
 - Targeting is probably the most vital best practice in direct and digital communications because when people receive irrelevant mailings, e mails and phone calls, they tend to qualify them as “junk” mail, “spam” and “nuisance” calls, derogatory terms that exacerbate the feeling that direct and digital marketing may be wasteful and/or bothersome. When, on the other hand, people receive offers that have been targeted to offer them products and services in which they may very well be interested, they see direct and digital marketing as useful and convenient.
- **List hygiene.** This is number two on the list of best practices designed to eliminate or at least reduce wastage (in the form of useless direct mailings, e-mailings and telephone contacts).
 - All marketers should professionally normalize the contact data on their marketing lists to prevent returns, bounces and wrong phone numbers; and to de-duplicate suspected repetitions to avoid making more than one contact with the same person.
 - All marketers should systematically process their returned mail, bounced e-mails and invalid phone numbers, and correct or eliminate registers that are no longer valid.
 - If there is a mail preference service (Robinson List) in the country, marketers should be sure to purge the Robinsons from their mailing, e-mailing and telephone lists. Not only does this make good business sense (why contact someone who has said they are not interested in buying from you), but it is also an ethical and sometimes a legal obligation.
 - If a company has received any “opt outs”, it again has an ethical and sometimes a legal obligation **not** to contact these people.
 - Be sure that the opt-out mechanisms are clear in all direct and digital communications and that they are easy to use. If there are more Robinsons out there, the marketer wants to know who they are so as not to spend money on contacting them.
 - When marketers have the opportunity to acquire a new list, instead of blindly using it, they should do a small trial on a representative sample of the registers to test the list quality before launching a full-fledged campaign.
- **Paper savings.** Use less paper per item.
 - Reduce grammage (paper thickness) to the lowest weight and finish that still meets the design specification.
 - Design mailings to take best advantage of paper dimensions. Reduce trimming

to a minimum. Don't design large pieces when smaller pieces will do the job just as well. This goes for newspaper and magazine advertising as well: don't design a four-page supplement if a single-page ad would get the same results.

- Correctly dimension your overrun allowances: most printing jobs deliberately plan to produce some extra copies beyond what the marketer strictly needs. However, using percentage overruns can be very wasteful in large jobs. A 3% overrun on a 10,000-piece order produces 300 extra copies – which would appear reasonable. The same percentage overrun on a 1,000,000-piece order produces an overage of 30,000 – surely a major waste of ink and paper.
- When sending merchandise for distance selling/e-commerce purchases, be sure the packing options are adequate for the size and fragility of the shipment. For instance, do not send small products in huge boxes with lots of filler.

The above recommendations would appear to be just common sense, which – unfortunately – as the old saying goes “is the least common of the senses”. Following these best practices, the marketer not only reduces the number of contacts and amount of CO₂ emissions in benefit of the environment, but also saves a lot of money and in so doing increases the ROMI of the campaign.

The win-win rule of direct and digital marketing with respect to privacy and the environment

As seen in the above sections of this Guide, rather than being a costly imposition on countries wishing to develop direct and digital marketing, respecting the latest best practices in privacy and data protection and care for the world environment coincides with reducing direct marketing costs and improving the ROMI of the campaign. Not contacting opt-outs and Robinsons eliminates campaign spending on people who will not respond, whether by direct mail, telephone marketing, e-mail marketing or OBA. Respecting environmental best practices also reduces the number of useless contacts and the unnecessary generation of CO₂.

The UPU's Doha Postal Strategy⁸³ has, as one of its objectives, the fostering of sustainable development of the postal sector. Part of the UPU's activities in this sense focus on promoting environmental best practices and measuring the impact of the postal sector on the environment.

These are classic win-win situations, from which both society and the direct and digital marketer stand to gain. There is no reason for Posts and marketers in developing and least developed countries not to respect these best practices from the outset; indeed, there are very compelling reasons for them to do so.

This last section on best practices relating to privacy and the environment is summarized below.



Best practices in direct and digital marketing with respect to societal concerns

- The two major areas of societal concerns regarding the practice of direct and digital marketing are privacy and the environment.

Privacy concerns

- The issues regarding privacy can be divided into those that have to do with protecting personal data and those that have to do with respecting a person's intimacy – not intruding into private times and places.
- Best practices for personal data protection include:
 - Direct and digital marketers must allow consumers the unrestricted right to opt out (opt to have their names removed) from their marketing lists at any time. – Direct and digital marketers should provide notice on every piece of direct mail, in every telephone marketing contact, and in every e-mail that the recipient may opt out of the marketing list, and should provide a quick and easy vehicle for the consumer to exercise this right at no charge.
 - Direct and digital marketers should not share with other companies any data except name, address, phone number (only if listed in the phone book), ID number, birth date, occupation and very general presumed consumer profiles, unless the marketer has obtained the prior consent of the individual to cede additional information to third parties.
 - Direct and digital marketers may not share or even hold "sensitive data" (such as racial and ethnic origins, health data, political opinions, religious convictions, and sexual preferences) without the individual's informed prior consent.
 - If questioned by a consumer, the marketer is obliged to indicate what information the company holds on that person and what the source of the data was.
 - Lastly, prior to use, all marketing lists must be cleansed against the company's opt-out file to avoid contacting people who have asked to be excluded.
- The practice of behavioural targeting in digital marketing (in particular online behavioural advertising in display ads) is very attractive to marketers, since it increases response rates and reduces "wastage" in terms of the percentage of contacts that are not true targets for the offer. However, notification and including "opt out" options are very necessary because of consumer and regulator sensitivity to this type of data management.
- Intrusions into their personal time and places are the principal objections that most consumers have to direct and digital marketing from the privacy standpoint. Today, most people are still much less concerned about companies holding the type of information used for traditional direct marketing (direct mail, telemarketing and e-mail).
- Direct mail is perceived as the least intrusive of all direct marketing media, which constitutes an important comparative advantage, especially with respect to e-mail and telephone marketing.
- Still, movements in favour of creating national "do not mail" lists exist in some countries (to a great extent owing to the environmental concerns explained below), so mailers should be very careful to respect the best practices on opt-out indicated above, in order to defer these initiatives.
- There is a "virtuous circle" in direct and digital marketing with respect to opt-outs and Robinsons: when people who do not want to receive marketing messages raise their hands to tell the marketer to stop sending them, they are doing the marketer a favour. Successful direct and digital marketing requires great attention to ROMI. Eliminating the cost of sending messages to people who have already stated that they will not respond increases direct and digital marketing profitability.

Environmental concerns

- There are two major areas of environmental concerns in direct and digital marketing:
 - the accumulation and disposal of waste, which has become a major problem throughout the world, and
 - global climate change, also known as global warming.
- Direct and digital marketing actually contributes very little to these environmental problems. However, since these are major worldwide concerns, the industry must certainly address them by respecting best practices.
- All forms of direct and digital marketing have their carbon footprints, and recent studies have raised doubt as to whether paper-based direct marketing (like mail and direct response ads in print publications) actually have higher CO₂ emissions than digital forms like e-mail.
- One family of suggested solutions to reduce carbon emissions from direct and digital marketing ranges from choosing environmentally friendly paper suppliers, to avoiding the use of certain chemical products in paper and ink, to exhorting consumers to recycle mailings and packaging.
- Another movement urges advertisers in general, including direct and digital marketers, to offset their carbon footprints by compensating for CO₂ emissions – for example, by planting vegetation.
- And probably the least controversial and most agreed-upon suggestions for responding to both the waste accumulation and global warming effects of direct and digital marketing are measures aimed at eliminating unnecessary messages and wastage in general. Here the best practices include targeting to make fewer contacts to obtain the same sales; maintaining excellent list hygiene to reduce non-deliverable/reachable and duplicated messages; and actions intended to reduce paper usage, like reducing grammage, downsizing pieces and ads, more efficient packaging, etc.

Win-win

- It is important for Posts in developing and least developed countries to appreciate that applying the best practices to address societal concerns like privacy and environmental protection is not a burden that will hinder growth in direct and digital marketing. Instead, it will actually improve the results of marketing campaigns themselves, reducing their costs and increasing their ROMIs.
- So a win-win situation exists with respect to direct and digital marketing and these best practices: the marketers get higher returns on their investments, and society gets better privacy and more care for the environment.

GLOSSARY

Acquisition:

in marketing, (customer) acquisition refers to obtaining a new customer and the process of doing so.

Acronyms:

CRM, see Customer relationship management
 ESP, see E-mail service provider
 GIS, see Geographic information system
 GPS, see Global positioning system
 ISP, see Internet service provider
 NFC, see Near field communication
 ROMI, see Return on marketing investment

Addressed direct mail:

direct mail on which the addressee is identified, usually with a name (of a person and/or a company) and always with an address.

Addressee:

the person or company to whom the direct mail piece is addressed – in other words, the recipient.

Affiliate marketing:

affiliate marketing is the general principle by which an e-commerce offer is displayed by various means and tools on a publisher partner network. The partners who bring traffic to the merchant are called affiliates and earn commissions based on the merchant's sales or leads.⁸⁴

Ambient advertising:

advertising in unexpected places, such as on the floor of public places, laser projections on buildings, fresh eggs, etc.

Analytics:

marketing analytics comprises the processes and technologies that enable marketers to evaluate the success of their marketing initiatives by measuring performance (e.g. blogging versus social media versus channel communications) using important business metrics, such as ROMI, marketing attribution and overall marketing effectiveness. In other words, it tells you how your marketing programmes are really performing.⁸⁵

Attribution:

in marketing, attribution is the activity of determining what media are driving customer responses and to what extent.

Augmented reality:

an enhanced version of reality created by the use of technology to overlay digital information on an image of something being viewed through a device (as a smartphone camera).⁸⁶

B2B or B to B:

business-to-business marketing, when companies sell to other companies.

B2C or B to C:

business-to-consumer marketing, when companies sell to consumers.

Behavioural tracking and targeting:

in its online version, behavioural targeting means tracking a user's online activities to deliver advertising specially aimed at that user. For instance, a person who visited a classical music site may find when visiting another site that classical CDs or downloads are being offered in the banner advertising. This is not a coincidence, but the result of behavioural targeting. Websites and ad networks use "cookies" (information that remains on the user's browser and helps the site or ad network to determine what ad to serve based on the user's past online behaviour). Many websites allow users to decide whether the sites may place cookies. In addition, users can have all cookies deactivated by employing a simple browser setting, although many people are not aware of this option or of the fact that websites may be tracking their online behaviour. This has become a growing issue among privacy advocates who question the use of this information for advertising purposes, and has given rise to industry self-regulation as explained in Chapter 9 of this Guide.

Benchmark/benchmarking:

a benchmark is the company most admired in a certain business, business process or practice, because it obtains the best cost, time, quality or results in its industry or discipline. The term benchmarking refers to the procedure of assessing what an admired colleague, competitor or company in an analogous industry does to achieve these superior processes or results. The purpose, of course, is to identify ways to emulate these successful practices and thus improve the benchmarking company's own performance.

Best practice:

a technique, method or process that has consistently proved more effective in achieving a particular outcome than any other technique, method or process. Best practices are used as benchmarks for other companies to emulate and perhaps exceed, thus establishing new best practices.

Big data:

high-volume, high-velocity and high-variety information assets that demand cost-effective, innovative forms of information processing for enhanced insight and decision-making.

Broadcast media:

television and radio.

Bulk mail:

mail that consists of a high volume of identical pieces usually sent at the same time by the same mailer. Posts may place certain conditions, such as pre-sorting, on the acceptance of mailings as bulk mail. Moreover, delivery standards (times) for bulk mail will be longer than for letter mail. Postage charges on bulk mail will be substantially below the regular letter rate because of the volume, delivery time and other conditions that tend to make unit costs to the Post much lower. Most advertising mail or direct mail is bulk mail.

Business case:

a document or presentation, submitted before a project is initiated, that summarizes the project and the benefits it will bring to the business.

Business process outsourcing (BPO):

the contracting of a specific business task to a third party service provider.

Buyers list:

a list of names and addresses of people who have actually recently bought merchandise by direct mail, e-commerce, or another distance selling mechanism. People on buyers lists have shown that they are serious about distance/online buying. The order of lists, in terms of probability of selling as a percentage of registers is: 1) buyers lists; 2) inquirers lists; and 3) compiled lists. Buyers lists + inquirers lists make up "response lists", people who have responded to a direct marketing solicitation.

Carbon footprint:

the estimated emissions of carbon dioxide (CO₂) and other greenhouse gases associated with any particular action like an aircraft flight, the use of a motor vehicle, the production of goods (like paper, for instance), the overall exercise of an economic activity (direct mail or e-mailings, for example), etc. The larger the carbon footprint, the more the action contributes to global warming and climate change.

Catalogue/cataloguer:

in direct mail, a catalogue is a publication – sometimes a book with many pages, sometimes a simple pamphlet or leaflet – that displays and describes products and/or services that are offered for sale through the mail. A cataloguer is a company that markets goods and/or services via catalogues.

Chat:

live chat is a customer/visitor support tool that allows a customer service representative to converse in real time via typing with a potential customer. Live chat services favour sales by assisting with and resolving customer queries and by up-selling and cross-selling propositions. Live chat service can be managed internally or outsourced to external agents. A chat operator can manage multiple visitors at the same time.⁸⁷

Choice (in the context of privacy and data protection):

an individual's ability to determine whether or how their personal information may be used or disclosed by the entity that collected the information. Also, the ability of an individual to limit certain uses of their personal information. For example: an individual may have choice about whether to permit a company to contact them or share their data with third parties. Choice can be express or implied.⁸⁸

Clutter:

an advertising term used to signify the excessive number of communications stimuli (messages) to which a person is exposed on a daily basis.

Co-marketing:

activities in which two companies collaborate to do a promotion together, using both brands in the marketing communications and sharing in the results as pre-agreed.

Community management:

the activity of administering a company's social networks, including the management of content, responding to questions, and resolving conflicts or complaints that customers may make in social media.⁸⁹

Compiled list:

a list that has been constructed from existing data (home owners, car owners, credit card owners, persons within a geographical segment, a socio-economic level, etc.). Compiled lists will normally have lower response rates than similarly targeted response lists (buyers and inquirers).

Consent (in the context of privacy and data protection):

this privacy requirement is one of the fair information practices (see definition below). Individuals must be able to prevent the collection of their personal data unless the disclosure is required by law. If an individual has choice (see definition above) about the use or disclosure of his or her information, consent is the individual's way of giving permission for the use or disclosure. Consent may be affirmative (i.e. the individual opted in) or implied (i.e. the individual didn't opt out). (1) Explicit consent: a requirement that an individual «signify» his or her agreement with a data controller by some active communication between the parties. (2) Implicit consent: implied consent arises where consent may reasonably be inferred from the action or inaction of the individual.⁹⁰

Contact centre:

a facility that houses inbound and outbound communications channels (phone, voice over Internet Protocol or VoIP, voice mail, fax, e-mail, live chat, web forms, SMS, etc.) between a firm and its customers and prospects. Companies may run their own facilities or contract some or all these services from third party contact centres. Many of the latter also offer business process outsourcing options.

Content marketing:

the technique of creating and distributing relevant and valuable content to attract, acquire and engage a clearly defined target audience in order to drive profitable customer action.⁹¹

Contextual targeting:

the practice of placing, in a given medium or page or section of that medium, advertisements for products and services that would be particularly relevant to people interested in the specific content of that page or section. For instance, an ad for canned artichokes could be placed on the page of a magazine that publishes a recipe for artichoke quiche. Or a display ad for tennis lessons could be placed on the homepage of the Davis Cup website.

Conversion rate:

the percentage of responses to a direct marketing offer that are actually converted into sales.

Copy:

an advertising term referring to the written text used by marketers to present their offers to the public.

Coupon:

in marketing, a coupon is a ticket or certificate that can be redeemed for a cash discount or free product or service. "Couponing" is the activity of using coupons as a marketing tactic. The practice aims to get consumers to try and then to continue to buy the marketer's products or services. It began in the United States in the early 1900s, basically to boost the sales of consumer packaged goods. Today, coupons are used by producers of a great variety of products as well as by retailers and consumer service providers. They reach consumers by various means: on-pack and in-pack, in magazines and newspapers, by post and via the Internet. Couponing by unaddressed direct mail is convenient for local marketers (single stores or service establishments) that want to find new customers in a specific geographic radius. Couponing by addressed direct mail is good for restricting the economic benefit of the coupon to the specific target customers or prospects who are of most interest to the marketer. In recent years, the Internet has become an increasingly popular means of couponing because there is no postage or printing cost for the marketer, since the interested customer prints his or her own coupon.

Creative or creativity:

the design of all elements of a direct mail package, including copy, style, images, colours, format, etc.

Credit card:

a card that allows the cardholder to make purchases up to a pre-established credit limit. The balance can be settled in full at the end of each billing period (usually monthly) or paid off only in part, with the remaining balance becoming extended or "revolving" credit subject to interest accrual. A charge card is a card that serves the same purpose as a credit card for making purchases, but the balance must be paid in full at the end of each period.

Cross-channel marketing:

also called multi-channel marketing, this technically describes a company promoting its products through more than one communications channel and/or selling its products/services through more than one sales channel.⁹² For instance, a product can be promoted in newspaper ads and through mailings, and can be sold through retail stores and by

catalogue. Today, the term is most often used in connection with the combination of online and offline channels. For example, a catalogue is received in the mail and the customer places his or her order on a website, an e-mail is sent with a coupon that the customer prints and then redeems at a retail outlet, etc.

Cross-selling:

the practice of attempting to sell additional products or services offered by the company to customers who have purchased or are considering purchasing another product or service.

Customer centricity:

simply putting the customer in the centre of the company's strategy.

Customer journey:

also known as the customer experience or customer engagement cycle, the customer journey refers to the stages customers travel through in their relationship with a specific brand. By analyzing what the customer experiences at each individual touchpoint with a company, it is possible to pinpoint where improvements to efficiency and customer service can be made. This is useful when making decisions about the extent and nature of further investment, to boost the service level of customer-facing teams, and to plan a coherent and beneficial restructuring plan through providing a "perfect" customer journey.⁹³

Customer lifetime value (CLV):

the dollar value of a customer relationship based on the present value of the projected future cash flows from the relationship.⁹⁴

Customer relationship management (CRM):

the generation and development of relations between a company and each of its customers. It is a business philosophy that places the customer at the centre of all the organization's processes.

Data controller:

an entity that has the authority over the processing of personal information. This entity is the focus of most obligations under privacy and data protection laws. It controls the use of personal data by determining the purposes for its use and the manner in which the data will be processed. The data controller may be an individual or an organization that is legally treated as an individual, such as a corporation or partnership.

Data-driven marketing:

the blending of data to inform businesses, strengthen customer relationships, and make sounder decisions that aren't based on gut, but rather, on valid, demonstrable insights gleaned from both digital and traditional campaigns.

Data enrichment, data enhancement:

supplementing and/or improving data. In direct marketing, the data is usually a customer list. Tasks may consist of correcting address, telephone, e-mail or other contact information; appending e-mail addresses to postal or telephone marketing registers or vice versa; coding for gender; adding customer behaviour or response data for segmentation purposes; etc.

Data entry:

reading handwritten or printed records and typing them into a computer.

Data hygiene:

the practice of maintaining accuracy in computer data; in direct marketing, this most often refers to customer lists and information.

Data management platform (DMP):

a centralized computing system for collecting, integrating and managing large sets of structured and unstructured data (see definition below) from disparate sources. An effective DMP creates a unified development and delivery environment that provides access to consistent, accurate and timely data. The term is most often associated with products and development projects that promise to help marketers and publishers turn data from offline, online, web analytics and mobile channels into information that can be used to support business goals. An expensive vendor DMP might combine data management technologies and data analytics tools into a single software suite with an intuitive and easy-to-navigate executive dashboard. At its simplest, a DMP could just be a system that imports data from multiple systems and allows marketers and publishers to view data in a consistent manner.⁹⁵

Data mining:

the application of algorithms for learning and extracting “knowledge” from data sets; another term, “knowledge discovery in databases” (KDD), is also sometimes used.⁹⁶ In simpler terms, what marketing data miners basically do is delve into large databases to see if they can identify certain patterns that will help to predict future customer behaviour. For instance, from past sales data, a major newspaper found that it could predict demand per newsstand based on a formula that takes into account the day of the week, the time of the year, what holidays fall during the week, the location of the newsstand, whether or not rain is forecast, and other indicators. This information was vital in reducing both the number of times the paper is sold out and the “returns”, that is, the number of copies of the newspaper that are not sold and that are returned for refunds by the newsstands. The newspaper now sends the “ideal” number of copies to each newsstand each day, reducing both sell-outs and overage and producing significant gains for the publisher. Likewise, a telephone company, using sophisticated data mining, can, for example, identify those customer segments whose particular patterns of use of landline telephones make them great candidates for buying broadband Internet services from the phone company. Data mining is used to perfect targeting techniques and thus greatly improve the ROMI of such activities as direct mail, e-mail and telemarketing.

Data subject:

the individual about whom information is processed, such as a customer or prospect that a direct or digital marketer may want to contact.

Database:

in direct marketing, a database can be as simple as a marketing list: a file that contains names and contact data like postal addresses, phone numbers and/or e-mail addresses. Most often, when a marketing database is mentioned, the term refers to a simple list of this type. However, marketing databases can also be much more sophisticated, including – in addition to basic name and contact data – detailed demographic profiles like those obtained through the Australian Lifestyle Survey described in this Guide, and actual consumption data such as those belonging to the telephone company mentioned in the above definition of data mining. The more sophisticated the databases are, the more powerful they are, because they allow for advanced segmentation and targeting possibilities, and therefore produce higher expected ROMIs from targeted direct marketing communications.

Database marketing:

the use of data on customers or prospects to generate targeted communications for marketing purposes. The difference between direct marketing and database marketing is the degree of sophistication of the data employed to do the segmenting or targeting of the candidates elected to receive the direct marketing offer (a direct mail piece, a phone call or an e-mail). Targeting is, or should always be, employed in direct marketing, but some marketers – perhaps for lack of more data – employ only very simple geographic or demographic segmentation criteria, such as socio-economic level of the neighbourhood, sex, age, etc. In database marketing, more sophisticated statistical techniques are used to

“predict” to which individual customers/prospects a marketing message should be sent in order to optimize the expected response rate. The more relevant the information available in the database – which may just be more detailed geodemographic information, although the most powerful discriminators are “behavioural” data on how customers have behaved with respect to similar offers before – the more detailed the segmentation and the higher the predicted response rate. Data mining (see definition above) is the procedure used to identify segments and select targets for direct and digital marketing messages.

Debit card:

a card that is usually linked to a current or savings account at a bank. This card provides access to automatic teller machines and can often also be used in lieu of cash in purchase transactions. The amount of the purchase is debited directly to the customer’s bank account.

De-duplication:

the task of finding the duplicate entries in two or more data files; in direct and digital marketing, these files are usually mailing lists, e-mail lists and telephone lists. This activity is sometimes called “merge and purge”, referring to the fusion of the lists and the elimination of the duplicate items.

Dialogue marketing:

a new computer-based model that is, to date, the highest rung on the evolutionary ladder that ascends from database marketing to relationship marketing to one-to-one marketing. Its principal advantages over those older approaches are that it is completely interactive, exploits many communication channels, and is “relationship aware”: that is, it continuously tracks every nuance of the customer’s interaction with the business. Consequently, dialogue marketing responds to each transition in that relationship as it occurs – at the moment the customer requires a particular type of attention. The dialogue model is also a product of database technology and personalization philosophy marching forward in tandem. A dialogue is, very simply, a series of outreaches and responses between a company and a customer ideally leading to some action on the part of the customer. The person or software conducting a dialogue “listens” to the customer’s needs and chooses the content and channel of communication based on what the customer says and does.⁹⁷

Digital marketing:

sometimes called “interactive marketing” or “e-marketing”, this is the use of digital media as communications channels for marketing purposes. The marketing messages are delivered through electronic devices such as personal computers, tablets, mobile phones, game consoles and other equipment. Digital marketing messages can be sent through non-Internet channels like SMS and notifications on mobile apps, as well as through Internet channels like e-mails, display ads and social media posts, among others.

Dimensional mailing:

a type of direct mail in three dimensions (in other words, a parcel, tube or other shape as opposed to a typical letter or flat piece).

Direct mail (also called advertising mail or promotional mail):

a physical mail item, delivered to an individual or household/business address, containing information aimed at eliciting a response from that individual or household/business (customers and potential customers alike). This response is measurable and the interaction between sender and recipient can be tracked and stored in a database for future use. It can be combined with other direct marketing tools (fax, telemarketing, e-mail, direct response media, etc.) or with other advertising media (television, radio, magazines, newspapers, Internet, etc.) in order to achieve the campaign’s objectives. It is a customer process, in which the Post participates as a supplier of products and services.

Direct mail product or service:

letter-post products or services specifically designed for the collection and distribution of advertising items. The product or service has a brand that allows customers and potential customers to identify it as suitable for their advertising purposes, and a number of attributes (e.g. definition of content, pricing structure, delivery standards, presentation requirements, etc.) that might also define the postal operational process.

Direct marketing:

there are many different definitions of direct marketing. The following is the conceptual definition proposal from the U.S. Direct Marketing Educational Foundation:⁹⁸ "Direct marketing is a database-driven process of directly communicating with targeted customers or prospects using any medium to obtain a measurable response or transaction via one or multiple channels." It should be pointed out that this definition, appropriately, includes digital marketing as well as direct response advertising.

Direct marketing association (DMA):

a non-profit trade association formed for the purpose of defending and promoting direct marketing in a country, region or area. The most successful DMAs cover the whole gamut of direct marketing activities, including not only direct mail, but also telemarketing and digital marketing and related activities like list and other data services, postal and parcel services, specialized printing, and e-mail platforms. The most successful DMAs have as their members both users – companies and non-profit organizations that practise direct marketing – and industry suppliers.

Direct response advertising:

a promotional method in which a prospective customer is urged to respond immediately and directly to the advertiser (the *call to action*) through the use of a *response vehicle* provided in the advertisement. These response mechanisms may include a coupon to cut out and then mail or take to the store, a business reply card or envelope, a toll-free telephone number, an Internet link to click, etc. Each response is measured and attributed to the respective advertisement/medium that obtained it. This type of advertising is direct because there are no intermediaries in the relationship between buyer and seller. Direct response advertising can be delivered by many different media forms, including unaddressed direct mail, newspapers and magazines, Internet display ads, radio, television, and alternative advertising media.⁹⁹ An expert direct marketer will make every effort to capture respondents' contact data in order to continue to market to them via the traditional direct marketing media of addressed direct mail, telemarketing (including mobile) and e-mail.

Display advertising (online):

online display advertising consists of using ad space on websites to reach a desired target audience. Sites may include web portals, blogs, casual gaming sites, social networks, instant message applications, widgets, RSS feeds, and more. The most common type of display advertising is banner ads. Banner ads typically come in standard sizes such as 728×90, 160×600, and 300×250, which refers to pixel width x height, and are most often animated through Flash. For an extra serving fee, banners can also incorporate rich media functionalities, which include interactive elements such as banner expansion, data submission, and gaming. Other types of display advertising include things like site skins (wallpapers), fixed sponsorships, and video.¹⁰⁰

Distance selling:

the activity of selling products and services by mail, telephone or Internet, in which the transaction is done at a distance and not in a physical retail establishment.

Do not call, do not mail, do not e-mail registries:

these are legally binding registries operated by government entities in which consumers who do not wish to receive direct marketing messages can register their telephone numbers, postal addresses and/or e-mail addresses so that no company within the jurisdiction covered by the registry can legally contact them for marketing purposes. Some

of the legislation allows for exceptions – for example, for contacts from charitable institutions, political campaigners, companies that have a client relationship with the consumer, etc. Countries that have these registries for telephone marketing, for instance, include the United States, the United Kingdom, Canada, Australia, Argentina, Colombia and Mexico.

Door opener:

a type of direct mail (often dimensional) addressed to an executive or other important person. These pieces are deliberately designed with the intention of bypassing the secretary, reaching the addressee's own hands and getting his or her attention. The objective of these mailings is to predispose the recipient to open the doors of his or her office to receive a sales representative from the mailing company.

Door-to-door or door drop:

another term for unaddressed direct mail.

E-commerce:

using the Internet and other digital communications to enable the buying or selling process.

Electronic waste or e-waste:

the term used to describe old, end-of-life or discarded appliances that use electricity. It includes computers, consumer electronics, refrigerators, etc., that have been disposed of by their users. E-waste contains valuable materials as well as hazardous materials that require special handling and recycling methods.¹⁰¹

E-mail service provider (ESP):

a company that offers e-mail services by providing an e-mail marketing platform or e-mail tool; in some cases the platform may be self-service, in others the supplier does the work. Basic functionalities include creating e-mail templates and/or using pre-made templates; maintaining a subscriber list, uploaded by the user for distributing messages; sending e-mail, allowing users to distribute their messages to subscribers; and providing statistics and reports of e-mail campaigns and individual e-mails to measure success. The more sophisticated ESPs may also offer some of the following services: e-mail creation, consultancy, training, deliverability services, list broking, mail transfer agent services, rendering test platforms, whitelisting services to reduce filtering of the messages as "spam", (inbox) monitoring, CRM and survey tools, and campaign management software.¹⁰²

E-tailer:

a retailer that sells direct to the consumer via e-commerce (i.e. over the Internet).

Fair information practices (FIPs):

a general term for a set of standards governing the collection and use of personal data and addressing issues of privacy and accuracy. Different organizations and countries have their own terms for these concerns. As an example, the following are the principles recommended by the Organisation for Economic Co operation and Development (OECD) since 1980:¹⁰³

- (1) The Collection Limitation Principle. There should be limits to the collection of personal data and any such data should be obtained by lawful and fair means and, where appropriate, with the knowledge or consent of the data subject.
- (2) The Data Quality Principle. Personal data should be relevant to the purposes for which they are to be used and, to the extent necessary for those purposes, should be accurate, complete and kept up to date.
- (3) The Purpose Specification Principle. The purposes for which personal data are collected should be specified not later than at the time of data collection and the subsequent use limited to the fulfilment of those purposes or such others as are not incompatible with those purposes and as are specified on each occasion of change of purpose.

- (4) The Use Limitation Principle. Personal data should not be disclosed, made available or otherwise used for purposes other than those specified in accordance with Paragraph 8 (below) except a) with the consent of the data subject, or b) by the authority of law.
- (5) The Security Safeguards Principle. Personal data should be protected by reasonable security safeguards against such risks as loss or unauthorized access, destruction, use, modification or disclosure of data.
- (6) The Openness Principle. There should be a general policy of openness about developments, practices and policies with respect to personal data. Means should be readily available of establishing the existence and nature of personal data and the main purposes of their use, as well as the identity and usual residence of the data controller.
- (7) The Individual Participation Principle. An individual should have the right: a) to obtain from a data controller, or otherwise, confirmation of whether or not the data controller has data relating to him; b) to have data relating to him communicated to him, within a reasonable time, at a charge, if any, that is not excessive; in a reasonable manner, and in a form that is readily intelligible to him; c) to be given reasons if a request made under subparagraphs (a) and (b) is denied and to be able to challenge such denial; and d) to challenge data relating to him and, if the challenge is successful, to have the data erased, rectified, completed or amended.
- (8) The Accountability Principle. A data controller should be accountable for complying with measures which give effect to the principles stated above.

Flat mail:

oversized piece that exceeds at least one of the dimensions for letter-size mail. For instance, Royal Mail calls this large letter mail and admits a maximum length of 353 mm, a maximum width of 250 mm, a maximum thickness of 25 mm and a maximum weight of 750 g. Some typical items that exceed letter size and thus are classified as flat mail are A4 envelopes, thick magazines, and CDs in boxes.

Freelance:

a person who practises a profession on a job-by-job basis and has no long-term commitment to any particular employer.

Frequency (as an advertising term):

the number of times a person is exposed to an advertisement.

Frequency programme:

a programme designed to generate brand loyalty and customer retention. These types of programmes will typically involve the accumulation of points or "miles" every time the customer makes a purchase. These points can be redeemed later for rewards, like products or travel. They are sometimes called frequent buyer programmes, or frequent flyer programmes in the case of airlines.

Fulfilment:

processes required for receiving, servicing and tracking orders. The primary functions of fulfilment systems are to (i) respond quickly and correctly to an order by delivering the item ordered; (ii) maintain customer records; (iii) send invoices and record payments; (iv) respond to customer inquiries and complaints and resolve problems; and (v) generate purchase and payment information on both an individual customer and a group basis (usually by source or key code) to aid in the development of marketing plans and strategies. The basic processes of fulfilment are order reception, order entry, customer service, address label printing and pre-sorting, merchandise picking and packing, billing, promoting, and statistical analysis and reporting.¹⁰⁴

Geomarketing:

a marketing discipline that analyzes consumer behaviour on the basis of geography – for instance, what is the zone of influence that a particular branch of a store effectively covers in terms of customer attraction, what is the purchasing power of consumers who live in a certain neighbourhood, etc.

Geographic information system (GIS):

a system that stores, analyzes and displays geographically referenced information (data identified according to location).¹⁰⁵

Global positioning system (GPS):

a satellite system that registers where a device is at any moment in time in conjunction with digital maps. These systems can be used to track vehicles, valuables, even pets (so they don't get lost). They are also used by pilots and drivers to navigate, among many other uses.

Guerrilla marketing:

an advertising strategy that focuses on low-cost unconventional marketing tactics that yield maximum results. The original term was coined by Jay Conrad Levinson in his 1984 book *Guerrilla Advertising*. The term guerrilla marketing was inspired by guerrilla warfare, which is a form of irregular warfare and relates to the small tactic strategies used by armed civilians. Many of these tactics includes ambushes, sabotage, raids and elements of surprise. Much like guerrilla warfare, guerrilla marketing uses the same sort of tactics in the marketing industry. This alternative advertising style relies heavily on unconventional marketing strategy, high energy and imagination. Guerrilla marketing is about taking the consumer by surprise, making an indelible impression, and creating copious amounts of social buzz. Guerrilla marketing is said to make a far more valuable impression on consumers in comparison with more traditional forms of advertising and marketing. This is due to the fact that most guerrilla marketing campaigns aim to strike the consumer at a more personal and memorable level.¹⁰⁶

Hand-raising:

in direct marketing, this term refers to getting people to "raise their hands" and identify themselves as "leads" or potentially interested customers. They raise their hands by responding to a marketing communication (it could be a mailing, an advertisement, an Internet banner or any other message) by sending a postal reply, phoning the marketer, or providing their data online.

Home delivery:

delivery of direct mail (addressed or unaddressed) directly to the addressee's home or business address.

House list (or house file):

the list of customers and prospects maintained by a company. This is the most valuable asset for any direct and digital marketer.

Inbound:

in direct mail, inbound mail refers to items that are received by the marketer from customers and interested prospects. Likewise, in telemarketing, inbound calls are those that customers and prospects make to the marketer.

Inbound marketing:

an activity that focuses on creating quality content that pulls customers toward a company and its product as a place where they naturally want to be. By aligning the content it publishes with its customer's interests, a company naturally attracts inbound traffic that it can then convert into buyers over time.¹⁰⁷ According to inbound marketing advocates, it is very different from "outbound marketing", a term they use to describe the traditional approach to sales and marketing, where the seller actively seeks out potential customers and "bombards" them with messages directly intended to get them to buy.

Indicia:

imprinted designations on mail that denote postage payment (e.g. permit imprint).

In-pack, on-pack:

these terms refer to the practice of taking advantage of consumer goods packaging to include an advertising message – for instance, a coupon to boost trial of a different product or an invitation to participate in a sweepstakes – in the printing on the package itself (on-pack) or as a separate piece inside the packaging (in-pack).

Inquirers list:

a list of persons who responded to a direct marketing solicitation to request more information, but who did not buy at that time.

Integrated marketing communications (IMC):

a management concept that is designed to make all aspects of marketing communications, such as advertising, sales promotion, public relations, and direct marketing, work together as a unified force, rather than permitting each to work in isolation.¹⁰⁸

Interactive marketing:

see “digital marketing” above.

Internet of Things (IoT):

the network of physical objects that contain embedded technology to communicate and sense or interact with their internal states or the external environment.¹⁰⁹ This technology gathers useful data and then transmits it to other devices. Some current examples include tracking devices on automobiles and computers to deter robberies, household appliances and vehicles that use Wi-Fi for remote monitoring, and wearable devices like bracelets (NikeFuel, for instance) that transmit the user’s vital signs and movements. IoT is expected to generate increasingly large amounts of data in the future, thereby adding significantly to the phenomenon called “big data”.

Internet service provider (ISP):

a company that provides users with Internet access, as well as other services like website hosting.

Inventory (in advertising):

advertising spaces available for sale. In the online context, “premium inventory” refers traditionally to high-quality ad inventory, the quality being based on the context, format or targeting. “Premium inventory” is made up of best ad placements and most sought targeting criteria and is sold through direct channels (in-house sales team).¹¹⁰ Non-premium, ordinary or remnant inventory is usually sold through indirect channels, although with the advent of behavioural targeting, data vendors and ad exchanges, frontiers between premium inventory and remnant inventory are blurring and much buying is being done through automated platforms.

Investment mailings:

a term that refers to mailings made to non-customers in an attempt to convert them into customers. In general, the financial risk to the marketer of investment mailings is much higher than the risk of mailings to existing customers.

J+1, J+2, etc.:

postal abbreviations for delivery standards. J+1 means the delivery of an item one day after it was accepted by the Post, J+2 signifies delivery within two days of acceptance, and so on. In countries with the British postal tradition, these terms are D+1, D+2, etc., and they mean the same.

Junk mail:

a derogatory term for bulk advertising mail (direct mail, whether addressed or unaddressed) that comes from the perception that people just throw these items into the garbage as if they were “junk” (rubbish, debris, litter, refuse). This perception is not good for consumers, for mailers, or for society in the light of environmental concerns regarding the use of paper, and must be combatted. The best way to avoid direct mail being perceived as “junk” is to target mailings carefully and well in order to maximize their reach among people to whom the message is truly relevant and minimize their impact on people who simply are not interested in the offer.

Keyword:

a word or phrase that describes content. Keywords are used on the Internet in two different ways: 1) as search terms for search engines, and 2) as words that identify the content of the website.¹¹¹

Landfill:

a landfill, also known as a dump, is a site for the disposal of waste materials by burial and is the oldest form of waste treatment. Historically, landfills have been the most common method of organized waste disposal and remain so in many places around the world.¹¹²

Lead:

the marketing term for a potential customer who has indicated interest in knowing more about a company’s product or service. Leads are usually responses to the marketer’s direct and digital marketing campaigns.

Lead generation:

the practice of attempting to get potential customers to indicate their interest in knowing more about a company’s product or service.

Letter shop:

an outside vendor providing a variety of mailing services, including any or all of the following: addressing, labelling, folding, collating, assembling, inserting, metering, and sorting.

Lifestyle survey:

a questionnaire voluntarily answered by tens or hundreds of thousands of households, inquiring about the consumers’ particular interests in products and services. This information is used to create lists for direct marketing that are custom-tailored and targeted so that the messages will reach consumers who specifically want to know about the product or service being offered. Response rates to marketing messages using these lists are expected to be highly satisfactory because the recipients are prospects who have indicated that they would like to receive marketing communications regarding their interests.

List broker:

a company or agent that legally represents owners of marketing data (like marketing lists) and that offers the data for sale or rental to other marketers.

List hygiene:

see “data hygiene” above.

List rental:

the cession of data (like marketing lists) to a marketer for a limited number of uses, often just one. List rental, in general, is more common than the outright sale of a list.

Loyalty programme:

see the definition of “frequency programme” above (however, it should be mentioned that the discipline of loyalty marketing or the so-called loyalty business model far transcends this type of incentive programme).

Machinability:

the degree to which a mail item can be efficiently processed by automated postal sorting equipment.

Machinable mail:

mail items that can be efficiently processed by automated postal sorting equipment. Odd-sized or odd-shaped mail, most mail bagged in polythene, and other non-standard formats usually need to be hand sorted and, for Posts that have sophisticated processing machinery, this represents a significant additional cost.

Mail order:

the sale of products and services via advertising and offers sent by mail. The most typical manifestation is the mail order catalogue. Traditionally the buyer would send his or her order through the mail and the merchandise would be delivered by post or by a package service. Today most orders are placed by telephone and, increasingly, online.

Mail preparation (letter shop services):

tasks designed to make mail ready for insertion in the mail flow, according to the requirements of the Post. These functions might include any or all of the following: addressing, labelling, folding, collating, assembling, inserting, metering, and sorting, by hand or machine.

Mailing:

a batch of mail sent at the same time to multiple recipients by the same sender.

M-commerce:

e-commerce executed via the customer's mobile device.

Merge and purge:

the process of combining two separate direct marketing lists (merging) and eliminating the registers of the customers/prospects who figure more than once.

Micro-segmentation:

the division of customers or prospects into tiny groups (or micro-segments) that have some aspect(s) in common that make the marketer think that they will be particularly attracted to a certain commercial offer or treatment.

Multi-channel marketing:

see "cross-channel marketing" above.

Multiplier effect:

in direct mail, the "multiplier effect" refers to the fact that many mailings will produce a second stream of mailings to customers acquired from the first solicitation. For instance, a 100,000-piece mailing offering a magazine subscription will generate 3,000 response cards if 3% of the people contacted accept the offer. And it will produce 36,000 new magazine items in the first year alone, plus at least 3,000 renewal notices, along with other mailings as the publisher tries to cross-sell other products – which will also have their own multiplier effects. This effect occurs in many other industries, such as financial services, mail order, and club and association membership. It is the rationale behind the best practice regarding investment mailing pricing on page 119.

Native advertising:

advertisements that appear to be part of the editorial or "native" content of the medium in which they are published. The traditional offline antecedent of native advertising in print media is the "advertorial" (a combination of the words advertisement and editorial), a commercial message made to look like an editorial. On TV and in movies, the related activity is called "product placement", where the product forms part of the storyline (like the FedEx boxes and the Wilson volleyball in the movie Castaway). Online, interesting new

opportunities have appeared, such as search engine marketing, in which ads appear alongside search results “native” to the search that the user is performing; promoted tweets on Twitter; some types of content marketing where sponsored content – for instance, white papers downloadable in pdf – appears alongside similar editorial content; the oft-used Amazon technique of displaying “other books you might be interested in” on the same page as the title the user is viewing; etc.

Near field communication (NFC):

a short-range wireless radio-frequency identification technology that makes use of interacting electromagnetic radio fields instead of the typical direct radio transmissions used by technologies such as Bluetooth. It is meant for applications where a physical touch, or close to it, is required in order to maintain security. NFC is planned for use in mobile phones for such things as payment, in conjunction with an electronic wallet, and for setting up connections between Bluetooth devices (rendering the current manual Bluetooth pairing process obsolete). The technology is promoted by the NFC-Forum.¹¹³

News feed:

a list of newly published content. While the term dates from long before social media, the most famous news feed today for many people is the constantly updating list of stories in the middle of their Facebook home page.

Niche:

a narrowly defined group of potential customers whose needs and expectations differ from the mass market and may not be satisfied by mass market suppliers.

Non-governmental organization (NGO):

a legally constituted organization created in the private sector – usually for charitable, advocacy, community or benevolent purposes – by persons or entities that have no government participation or representation.

Normalize/normalization (of addresses):

the process of changing postal address data to a standardized (“normalized”) version, in which street names, house numbers, postal codes and names of localities are all expressed in the same manner. See page 88-89 for a more detailed explanation.

One-to-one (1-to-1) marketing:

a customer relationship management (CRM) strategy emphasizing personalized interactions with customers. The personalization of interactions is thought to foster greater customer loyalty and better return on marketing investment. The concept of one-to-one marketing as a CRM approach was advanced by Don Peppers and Martha Rogers in their 1994 book, *The One to One Future*.¹¹⁴ Rogers and Peppers themselves¹¹⁵ state that to perform 1-to-1 marketing, the company must be willing and able to change its behaviour toward an individual customer based on what the customer tells the company and what else the company knows about that customer.

Online behavioural advertising (OBA):

the tracking and targeting of an individual’s web activities, across sites and over time, in order to serve advertisements that are tailored to that individual’s inferred interests.¹¹⁶ For this reason, OBA is also called interest-based advertising.

On-pack:

See “in-pack” above.

Open rate:

the number of mailings or e-mailings that are actually opened by the recipients, expressed as a percentage of the total number of messages sent.

Opt-in, opt-out:

terms used in the context of personal data protection in direct marketing, including, of course, direct mail, e-mail and telemarketing, as well as online behavioural advertising, also known as interest-based advertising. These terms refer to when a person elects to receive a company's marketing messages ("opt in") and when a person chooses not to receive a company's marketing messages ("opt out"). These matters are discussed in detail in this Guide.

Outbound:

in direct mail, outbound items are the mailings that the marketer sends to prospective customers. Likewise, in telemarketing, communications are outbound when the marketer calls the prospective customer. For "outbound marketing", see the definition of "inbound marketing" above.

Permission marketing, permission list:

a direct marketing philosophy, often applied in e-mail marketing, that requires consumers to opt in to receiving marketing messages. The marketer only sends messages when it has the opt-in or "permission" of the recipient. A permission list is an opt-in list, in which the marketer has received permission to send messages.

Personal URL (PURL):

the address of a page on a website that has been customized for a single customer or prospect.

Personalization:

many agencies, marketers and printers mistakenly consider that personalization is just changing the name, address, salutation, and references in the text to the name of the customer. However, experts in this field see personalization as an ongoing process of getting to know the customer in order to articulate an offer that is customized according to that customer's personal preferences, with the objective of creating a state of "marketing intimacy" – the final goal of gaining enough knowledge, discretion and trust on both sides so that marketing communications are not bothersome, unsatisfactory or simply useless. The book cited¹⁷ delves much deeper into this theme.

Picking and packing:

the logistics task of taking an order, picking out the items required from the inventory and packing the pieces for shipment.

Point of sale (POS), POS transaction:

for credit card authorization purposes, retail establishments and distance/online sellers will often have special POS terminals on their premises that allow them to authorize and register charges to customers' cards electronically on the spot. Today some terminals operate with wireless connections, both at long and short range.

Polythene wrap or bag:

also known as polywrap, today many mailing pieces (self-mailers, brochures, unusual shapes, catalogues, magazines, etc.) are dispensing with paper envelopes and are instead bagging the items in polythene. The advantages are its lower cost (quite often polythene is less expensive than paper envelopes), better protection of the piece from handling and weather damage, transparency to let the graphic design of the contents show through, etc. One problem is that many polywraps do not allow for machine sorting of mail (which is a problem in those Posts that employ this equipment), and there are environmental concerns, since polythene in its current form is still not considered biodegradable.

Poste restante:

a service where the Post holds a person's correspondence until the recipient calls for it. Traditionally used by travellers, some people prefer to receive distance selling/e-commerce purchases at their post office as opposed to delivered to their home.

Preference services:

services usually operated by direct marketing associations (trade associations representing companies that engage in direct marketing within a country) that allow consumers to request that all marketers – or at least all marketers belonging to the association – desist from contacting them via direct marketing messages in specified media. For instance, a telephone preference service will attempt to stop all outbound telemarketing activities from all the marketers in the country (or at least all those belonging to the association) to consumers who have asked not to be called. A mail preference service will attempt to stop all direct mail to consumers who have asked not to be mailed, etc. Preference services differ from do not call, do not mail, do not e-mail regimes (see definition above) in that they morally oblige DMA members and other participating companies, but are not legally binding for all companies in the whole country or jurisdiction.

Pre-sort:

the practice of sorting a mailing by postal code or even carrier walk sequence before turning the mail over to the Post for delivery.

Pricing:

a marketing term that refers to the process of establishing a price for a particular product or service.

Proactive live chat:

the practice of proposing a live chat session to some website visitors. The chat service is called proactive because the chat session offer is done only for selected visitors by prominently displaying a chat proposal.¹¹⁸

Programmatic buying:

this definition comes from Philip Smolin, SVP of Market Solutions for the digital marketing firm Turn:¹¹⁹ “In the digital advertising world today, marketers are faced with an overwhelming level of inventory and audience fragmentation. Each customer interaction happens on a different device, different media channel and at a different time during the lifecycle of brand engagement. Data is generated throughout. Programmatic buying helps bring order to this fragmentation. It enables marketers to consolidate customer interactions across multiple channels into a single dashboard, and then use that dashboard to develop a single, overarching strategy about **how to best engage (and continue the conversation) with those audiences**. Along the way, it helps marketers use data to increase advertising effectiveness by assigning a value to every impression – and then uses that value to ensure the marketer doesn’t waste budget by advertising to prospects who will never have an interest in their brand, products or services. But the benefits of programmatic buying are not limited to the buyer. The improved effectiveness it delivers for the advertiser also translates into increased relevance for the consumer and greater revenue for the publisher. And in a world where consumers want high quality news, professional content and open forums for social interaction to be subsidized by advertising, that’s a very good thing.”

Prospect/prospecting or prospection:

a prospect is the marketing term for a potential customer. Prospecting or prospection is the process of identifying potential customers and attempting to acquire them as clients.

Push notification:

a text message sent to a smartphone via an installed app.

Quick response (QR) code:

a two-dimensional barcode that functions through a mobile application, of which there are many different versions – most free – available to be downloaded to smartphones. They have many uses. In this Guide, we are mainly interested in how they can help drive traffic from print to websites.

Random generation of telephone numbers:

a practice in which a telemarketer or other caller contacts telephone numbers randomly generated by machine, rather than calling a list of known telephone numbers. This practice is not recommended for direct marketing since it does not permit segmentation and targeting – rather, it signifies just calling anyone and as a result will inevitably reach many (if not a majority of) subjects who have no interest in the product or service offered. The direct marketing best ethical practice is to avoid intruding in the lives of persons who would most probably not be interested in the offer; so random generation of numbers is considered irresponsible conduct.

Reach:

an advertising term for the number of persons – or the percentage of the target audience – exposed to an advertising message.

Readership:

a marketing term that refers to the number of persons who read a publication or message. Quality of readership is also an issue in marketing communications: did the reader just glance at the message or flip quickly through the catalogue, or did the reader study the communication in depth, paying lots of attention to the message? Repeated studies have been done,¹²⁰ and most experts will agree that of all the direct marketing vehicles that rely on the written word (mailings, e-mailings, direct response print advertisements), direct mail consistently achieves the highest percentage of readership among persons exposed to the message and tends to have the highest quality of readership.

Real-time e-mailing:

often used in the context of customer service (sales inquiries, customer support), in real-time e-mailing, instead of sending off e-mails in batches once every day or every few days, the company responds as soon as the query has been handled or very soon thereafter.

Relationship marketing, customer relationship marketing:

among the very large variety of definitions for this term proposed in business and academic spheres, the author prefers the following: “Relationship marketing is a customer relationship management strategy designed to encourage strong, lasting customer connections to a brand. The goal is to generate repeat sales, encourage word-of-mouth promotion and gather customer information. Relationship marketing is a facet of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales. The goal of relationship marketing (or customer relationship marketing) is to create strong, even emotional, customer connections to a brand that can lead to ongoing business, free word-of-mouth promotion and information from customers that can generate leads.”¹²¹

Relationship programme, customer relationship programme:

like loyalty programmes (see definition above), most consumers and some marketers confuse these programmes with frequency programmes. When correctly carried out, however, they transcend simply rewarding purchases with points or “miles”.

Remarketing:

a term typically used to describe re-engaging customers via e-mail, as in shopping cart abandonment e-mail campaigns, up-sell/cross-sell e-mails, and other trigger e-mails responding to customer lifecycle events. Google and some others use “remarketing” to describe what other experts define as “retargeting” (see definition below).¹²²

Response list:

a list of persons who have responded to a direct marketing solicitation. These lists include buyers (those who actually made purchases) and inquirers (those who responded, perhaps requesting more information, but who did not purchase within a certain time span). Response lists are considered to be “better” than compiled lists because the expected

purchase rate is higher. Within response lists, buyers lists are considered to be better than inquirers lists, for the same reason.

Response management:

a service offered by the Post, consisting of receiving and compiling the responses to a given campaign on behalf of the customer.

Response paid services (also called business reply card or envelope services):

postal services allowing customers to include in their mailings a pre-addressed card or envelope to facilitate response by the addressees. The postage for these cards or envelopes is usually paid for by the company carrying out the campaign, upon the return of these items.

Response rate:

the number of positive responses to a marketing solicitation, such as a direct mailing, e-mailing or telephone marketing campaign, expressed as a percentage of the total number of persons in the contact list.

Retailer:

a merchant who sells goods or services directly to the consumer in small quantities. Retailers can be small general or specialist stores, small retail service providers (like restaurants, barbers, gyms, etc.), or very large chains like department stores; appliance, electronics and computer specialists; etc.

Retargeting:

online ad placements and display ads, served based on a user's activity on a site. When users visit a site, cookies are placed on their browsers and the site owner can then target ads to them on other sites they visit, hence the term retargeting. What makes retargeting very appealing is that it is done through third party ad networks (including the Google Display Network), giving the advertiser the opportunity to reach users wherever they are, on millions of sites. Retargeting is one of the forms of online behavioural advertising or interest-based advertising (see definition above).

Return on marketing investment (ROMI), or marketing ROI:

the terms are often used interchangeably. This is the most important metric that distinguishes all types of direct and digital marketing communications from traditional advertising indicators like CPM (cost per thousand newspapers or magazines circulated) and cost per GRP (cost per gross rating point in television: the cost per every 1% of the target audience reached by the message). The advertising indicators measure the cost effectiveness of reaching a mass market target population. ROMI measures the effectiveness of the marketing investment in producing profits for the organization. Obviously, ROMI is a much more relevant and demanding metric than CPM or cost per GRP. A difficulty for convincing traditional marketers to try direct mail and telemarketing is that the CPM – cost per mille recipients or "contacts" – will always be much higher than that for mass market advertising. Posts must explain to customers that ROMI is a much more valid measurement. The formula for ROMI: earnings from the campaign divided by the marketing costs of the campaign. A difficulty in comparing direct and digital marketing with mass media advertising is that the earnings from direct and digital can usually be precisely measured, whereas this is not true for advertising campaigns. Nevertheless, to convince marketers to adopt direct and digital marketing, this question must be addressed, or the prospective customers will continue to consider advertising as a more convenient option from the cost per contact standpoint, when from the return on investment standpoint the truth is most often exactly the opposite: a well-planned, targeted and executed direct or digital marketing campaign is quite frequently – and some experts would say almost always – more profitable than an advertising campaign directed at the same audience.

Returns management:

a service offered by the Post, consisting of compiling information on items that could not be delivered as addressed, and providing this information to the customer in electronic format (instead of actually returning undelivered items). This allows the customer to update its databases directly from the list provided by the Post, with no need to receive the actual undelivered items, and to take measures to correct the addresses and/or avoid the expense of sending more mailings to these undeliverable addresses.

Roadshow:

a marketing term for a series of events or presentations that companies or institutions carry out at different geographical locations – usually different cities – to generate interest in a product, service, investment offering or other initiative that they want to promote.

Robinson/Robinson List:

this is industry jargon, not normally shared with consumers, probably because the term is slightly pejorative. The term Robinson originated in Europe in the latter half of the 20th century to describe consumers who object to receiving direct marketing solicitations from any and all companies by all media or any particular medium (i.e. mail, phone or e-mail). The origin of the expression comes from Robinson Crusoe, a legendary fictional shipwrecked sailor who reputedly preferred to live isolated from the rest of society. So a “Robinson”, from the direct marketing standpoint, is a consumer who prefers to live isolated from any marketing messages that might arrive by direct media. There may, of course, be partial “Robinsons” who only reject telemarketing and accept direct mail, or who reject e-mailings but accept telemarketing, etc. But the term is used for everyone who chooses to exclude themselves entirely from one or more direct marketing media. There is a difference between a consumer who exercises an “opt out” and a “Robinson”. The former orders a particular marketer to stop contacting him. The latter wants all marketers to stop contacting him, at least by some if not all media.

Robocalling:

a telephone call from an automated source that delivers a pre-recorded message to a large number of people. Robocalling, also called audio messaging, is a valid marketing tool. However, it has lent itself to massive untargeted campaigns using randomly generated telephone numbers or sequential dialling, contacting persons indiscriminately, irrespective of their potential interest in the product or service being offered in the call. These latter techniques constitute direct marketing malpractice and should be avoided.

Sampling:

the practice of distributing free samples of a product so that prospective customers can try it and, the marketer hopes, become interested in buying more.

Search engine marketing (SEM):

technically, SEM encompasses search engine optimization (SEO) also, among other activities, but in day-to-day marketing the term refers mostly to the purchase of sponsored results for user searches. These results appear in positions above and in a column to the right of the natural or “organic” results derived by the search engine’s algorithm, so they are the “answers” that the user first sees in response to his or her search. Positions for sponsored search on search engine results pages are sold by key word – the word or phrase that the user types in the search box – and sold to the highest bidders in a real-time automated auction.

Search engine optimization (SEO):

although unclear to what extent it is a science and to what extent an art, SEO is what marketers do to try to position their web pages and websites high in the ranking in organic results on search engine results pages (SERPs). Organic results are the list of suggested links that the user’s search generates naturally on the engine; they are the results that appear to the left of and below the sponsored links (see SEM above). SEO is done by optimizing many elements on a web page or website, which are taken into account by

search engines to attribute a rank on SERPs, as well as by building quality links with other web pages. Ranking in organic results is key, because the rate of user readership and clicks on results beyond the first few drops off dramatically, and most users never reach the second page of results of their searches.

Segment:

a group of customers or prospective buyers that the marketer feels have common needs, expectations, preferences or behaviours, on which basis the marketer predicts that they will respond similarly to certain marketing offers.

Segmentation or segmenting:

the separation of customers or prospective buyers into groups that the marketer feels have common needs, expectations, preferences or behaviours and that, therefore, will respond similarly to marketing offers.

Sequential dialling:

similar in intention to randomly generated telephone numbers (see definition above), this practice consists of “inventing” the possible telephone numbers that could correspond to an area code, an exchange and a telephone. For instance, for area code 123 and exchange 444, all the possible telephone numbers from 0000 to 9999 would be called, whether or not they were actually operating telephones and with no regard to the segment and the product or service preferences of the phone owner. Sequential dialling has been used in robocalling (recorded messages) and SMS spamming to mobile phones. It is a marketing malpractice and should not be employed, as it is definitely considered intrusive by most consumers.

Short message service (SMS):

used to send text messages to mobile phones. Since SMS ranks high in the “intrusion scale” (see Figure 65 of this Guide), it is best used sparingly and in a “permission marketing” (opt-in) context, where the marketer has the consumer’s permission to send SMS.

SME:

abbreviation for small or medium-sized enterprise.

Spam, spamming:

a slang word that refers to unsolicited bulk e-mail and the sending of the same.

Stock-keeping unit (SKU):

a logistics term for each distinct item in an inventory. The same product may have different sizes, colours, styles, etc. Each variant is a different SKU and must be stored and accounted for separately. Each SKU is assigned its own inventory identification number.

Structured data:

data that is organized in a structure, typically a database, so that it is identifiable and easily processed and utilized. Most data used in direct marketing communications, like direct mail, telemarketing and e-mail, is contact data and perhaps also purchase and response history data; this data is structured and can be readily mapped into specific fields. By comparison, unstructured data has no identifiable structure. Unstructured data typically includes images/objects, texts and other data types that are not part of a database. Much of what is being called “big data” today is unstructured. The challenge for marketers in the future is to analyze the increasing amount of unstructured data that is becoming available, in order to derive important insights that can be employed to help their businesses perform better.

Target or target market:

the segment or segments of the market that a company decides to reach with its different product/service offerings. These should be the segments that the marketer considers to have the highest propensity to buy what the company offers.

Targeted:

describes an offer that is directed to a specific target.

Targeting:

the practice of directing marketing offers to reach a specific target.

Telemarketing:

the practice of marketing by telephone. Inbound telemarketing is when interested customers respond to a mailing or advertisement by phoning the number indicated therein to place an order or to inquire about the product or service offered. In outbound telemarketing, a salesperson or "telemarketer" calls prospects to get them to buy the product or service offered directly by phone or possibly (especially but not exclusively in B2B marketing) to arrange a meeting between the prospect and a salesperson in a face-to-face meeting, usually the prospect's office. This latter practice is called "lead generation".

Teleservices:

those tasks performable in a contact centre (see definition above) that have to do with services provided by telephone.

Track and trace (T&T):

the process of recording the past and present whereabouts of a shipment as it passes through different handlers on its way to its destination, through a distribution network.¹²³ In the postal business, track and trace is most commonly used for parcels and express or certified mail items.

Traffic generation:

a marketing activity that tries to get consumers to visit a business premises or web page, thus generating "traffic" to the premises or site.

Transpromo:

short for transpromotional advertising, it refers to the use of statements and bills as an advertising medium for up-selling or cross-selling to customers.

Trigger e-mailing:

triggered e-mail marketing refers to all forms of e-mail marketing messages which are automatically sent based on an event. The triggering event can be a calendar date (consumer birthday), an action taken by a website visitor, or an event related to the business life (product availability, order shipment, etc.). Triggered e-mail messages were initially mainly used for consumer relationship management (order and order shipment confirmations, product availability alerts, threshold crossing, etc.). Even today the main forms of programmatic e-mail campaigns or programmes are shopping cart recoveries, follow-ups to free white-paper and software downloads, welcome messages to new registrants, e-mail retargeting, and e-commerce order management (confirmation, shipment notification, product availability). Of late, however, it is more common to see triggered e-mail used for consumer acquisition and consumer proximity management. Triggered e-mails are often permanent micro-campaigns with only a few messages sent each day as compared to massive one-time campaigns. Often, triggered e-mail messages have good performance. According to an Epsilon 2012 study, triggered messages yield 75% higher open rates and 115% higher click-through rates than other commercial e-mails, but they still represent a very small percentage of total e-mail messages sent.¹²⁴

Unaddressed direct mail:

direct mail on which the addressee is not identified with a name. Unaddressed direct mail services might, however, be targeted at a specific region, postal code or letter-carrier route, or to a number of households sharing a similar demographic profile. The Post might offer mapping and profiling tools.

Universal resource locator (URL):

the information used to locate a page, document or image on the Internet. The URL format is scheme://host- domain[:port]/path/filename.

Unstructured data:

See "structured data" above.

Up-sell, up-selling:

the practice of attempting to get a customer to buy more expensive items, upgrades, accessories or other extras in order to increase profits to the seller.

Wafer:

wafer seals – also sometimes called mailing tabs – are self-adhesive stickers (usually round) used to seal self-mailers, newsletters and brochures without glue or staples. The use of the wafer prevents the piece from opening or unfolding in the mail and eliminates the need for an envelope or polywrap, thus reducing the cost of the mailing. Sometimes wafers are used to seal envelopes, and occasionally they may be employed for decorative purposes.

Webmaster:


the person responsible for maintaining a website, especially in a company or organization.

APPENDIX

THE AUSTRALIAN LIFESTYLE SURVEY

Example of the complete questionnaire as sent by direct mail. This questionnaire can also be filled out online.

32.02



The Australian Lifestyle Survey

Win \$16,000* or one of 50 \$200 gift vouchers*


For your chance to win, simply complete the survey and send it back in the envelope provided.

Being part of the Australian Lifestyle Survey, will help make sure you receive special offers and messages that are meaningful to you.

Companies from industries such as consumer goods, market research, financial services, charities, health care, telecommunications, media and direct marketing, may be given your contact details in order to send you relevant offers.

The survey is completely voluntary. You can choose to answer all or some of the questions – Good luck!

Visit: australianlifestylesurvey.com.au to complete the survey online.



Guidance notes – please read

- Your participation is **voluntary**. You may choose not to answer particular questions. Some questions are about you, others are about your partner and your household. When you provide information about your partner or other members of your household, please have them read the survey and get their permission to provide the answers on their behalf.
- Some companies (including Australia Post) prefer to contact you by email, SMS, MMS, telephone or location based marketing messages (3G / NextG mobiles only). If you prefer not to be contacted in these ways, do not provide your contact details in the areas marked #.
- By giving us your home or mobile telephone number(s) you: a) expressly consent to Australia Post contacting you and using your telephone number(s) to enable businesses to contact you; b) agree your consent remains in place until you tell us otherwise; c) state you are either (i) the telephone account holder / person responsible for the relevant telephone account; or (ii) an authorised nominee of the telephone account holder and are allowed to consent to receive marketing calls.
- Anonymous de-identified survey responses to selected questions may also be provided to organisations to help them better understand market and consumer characteristics.
- When you return your completed survey you will be entered into the prize draw. Only one entry per person is permitted and **you should only complete the survey if you are 18 years or older**. To make sure that your prize draw entry is valid, please include your full name and address details.
- Please note: the intention of this survey is to help companies (including Australia Post) send special offers to people who are most likely to be interested in them. Australia Post does not endorse or guarantee the products or services offered by other companies - please consider this when giving us your details. If you don't want to receive these offers, please do not complete the survey. You can check, update, access or remove your survey response by calling Australia Post on 13 POST (13 76 78). To view the full Australia Post Privacy Policy visit auspost.com.au

Your title:	Mr <input type="checkbox"/> ⁰¹	Mrs <input type="checkbox"/> ⁰²	Miss <input type="checkbox"/> ⁰³	Ms <input type="checkbox"/> ⁰⁴
First name:	<input type="text"/>			
Surname:	<input type="text"/>			
Address:	<input type="text"/>			
Suburb:	<input type="text"/>			
State:	<input type="text"/>	Postcode: <input type="text"/>		
Please refer to guidance notes 2 and 3 for information about providing your telephone numbers				
(#) Home telephone number:	(<input type="text"/> <input type="text"/>) - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/>			
(#) Mobile number:	(<input type="text"/> <input type="text"/>) - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/>			
Earn an additional five (5) entries into the Major Prize Draw* when entering your email address.				
(#) Your preferred email address:	<input type="text"/>			
Partner's title:	Mr <input type="checkbox"/> ⁰¹	Mrs <input type="checkbox"/> ⁰²	Miss <input type="checkbox"/> ⁰³	Ms <input type="checkbox"/> ⁰⁴
First name:	<input type="text"/>			
Surname:	<input type="text"/>			

*Terms and conditions apply - please see back page.

1 Leisure interests and readership

1. Which of the following leisure activities and interests do you enjoy (mark all that apply)?

	You	Partner		You	Partner
AFL	<input type="checkbox"/> 01	<input type="checkbox"/> 19	Hiking / walking	<input type="checkbox"/> 37	<input type="checkbox"/> 55
Blasting	<input type="checkbox"/> 02	<input type="checkbox"/> 20	Music	<input type="checkbox"/> 38	<input type="checkbox"/> 56
Charity work	<input type="checkbox"/> 03	<input type="checkbox"/> 21	Nature / wildlife	<input type="checkbox"/> 39	<input type="checkbox"/> 57
Cinema	<input type="checkbox"/> 04	<input type="checkbox"/> 22	Photography	<input type="checkbox"/> 40	<input type="checkbox"/> 58
Collectables	<input type="checkbox"/> 05	<input type="checkbox"/> 23	Radio	<input type="checkbox"/> 41	<input type="checkbox"/> 59
Computer Games	<input type="checkbox"/> 06	<input type="checkbox"/> 24	Reading	<input type="checkbox"/> 42	<input type="checkbox"/> 60
Concerts	<input type="checkbox"/> 07	<input type="checkbox"/> 25	Renovations / DIY	<input type="checkbox"/> 43	<input type="checkbox"/> 61
Cooking	<input type="checkbox"/> 08	<input type="checkbox"/> 26	Rugby League	<input type="checkbox"/> 44	<input type="checkbox"/> 62
Current affairs	<input type="checkbox"/> 09	<input type="checkbox"/> 27	Rugby Union	<input type="checkbox"/> 45	<input type="checkbox"/> 63
Eating out	<input type="checkbox"/> 10	<input type="checkbox"/> 28	Sewing / craftwork	<input type="checkbox"/> 46	<input type="checkbox"/> 64
Fashion	<input type="checkbox"/> 11	<input type="checkbox"/> 29	Soccer	<input type="checkbox"/> 47	<input type="checkbox"/> 65
Fine arts / antiques	<input type="checkbox"/> 12	<input type="checkbox"/> 30	Social Media	<input type="checkbox"/> 48	<input type="checkbox"/> 66
Fishing	<input type="checkbox"/> 13	<input type="checkbox"/> 31	Sports (spectating)	<input type="checkbox"/> 49	<input type="checkbox"/> 67
Gambling	<input type="checkbox"/> 14	<input type="checkbox"/> 32	Surfing the net	<input type="checkbox"/> 50	<input type="checkbox"/> 68
Gardening	<input type="checkbox"/> 15	<input type="checkbox"/> 33	Television	<input type="checkbox"/> 51	<input type="checkbox"/> 69
Golf	<input type="checkbox"/> 16	<input type="checkbox"/> 34	Tennis	<input type="checkbox"/> 52	<input type="checkbox"/> 70
Grandchildren	<input type="checkbox"/> 17	<input type="checkbox"/> 35	Theatre / art events	<input type="checkbox"/> 53	<input type="checkbox"/> 71
Gym	<input type="checkbox"/> 18	<input type="checkbox"/> 36	Wine	<input type="checkbox"/> 54	<input type="checkbox"/> 72

2. Which types of expos or shows would you visit (mark all that apply)?

	You	Partner		You	Partner
Art / craft	<input type="checkbox"/> 01	<input type="checkbox"/> 07	Lifestyle	<input type="checkbox"/> 13	<input type="checkbox"/> 19
Boat	<input type="checkbox"/> 02	<input type="checkbox"/> 08	Mind body spirit	<input type="checkbox"/> 14	<input type="checkbox"/> 20
Camping / caravanning	<input type="checkbox"/> 03	<input type="checkbox"/> 09	Money / investments	<input type="checkbox"/> 15	<input type="checkbox"/> 21
Food / wine	<input type="checkbox"/> 04	<input type="checkbox"/> 10	Motor	<input type="checkbox"/> 16	<input type="checkbox"/> 22
Home / garden	<input type="checkbox"/> 05	<input type="checkbox"/> 11	Travel	<input type="checkbox"/> 17	<input type="checkbox"/> 23
Kids / parenting	<input type="checkbox"/> 06	<input type="checkbox"/> 12	Wedding	<input type="checkbox"/> 18	<input type="checkbox"/> 24

3. Which daily newspapers do you read (mark all that apply)?

National – Financial Review	<input type="checkbox"/> 01	QLD – Courier Mail	<input type="checkbox"/> 07
National – The Australian	<input type="checkbox"/> 02	SA – The Advertiser	<input type="checkbox"/> 08
ACT – Canberra Times	<input type="checkbox"/> 03	TAS – Hobart Mercury	<input type="checkbox"/> 09
NSW – Daily Telegraph	<input type="checkbox"/> 04	VIC – Herald Sun	<input type="checkbox"/> 10
NSW – Sydney Morning Herald	<input type="checkbox"/> 05	VIC – The Age	<input type="checkbox"/> 11
NT – NT News	<input type="checkbox"/> 06	WA – West Australian	<input type="checkbox"/> 12

4. How do you access your daily news?

	You	Partner		You	Partner
Home delivered	<input type="checkbox"/> 01	<input type="checkbox"/> 05	Tablet	<input type="checkbox"/> 09	<input type="checkbox"/> 12
Mobile	<input type="checkbox"/> 02	<input type="checkbox"/> 06	Work supplied	<input type="checkbox"/> 10	<input type="checkbox"/> 13
Online	<input type="checkbox"/> 03	<input type="checkbox"/> 07	Other	<input type="checkbox"/> 11	<input type="checkbox"/> 14
Purchase	<input type="checkbox"/> 04	<input type="checkbox"/> 08			

5. Which weekend newspapers do you read (mark all that apply)?

National – Weekend Financial Review	<input type="checkbox"/> 01	QLD – Sunday Mail	<input type="checkbox"/> 10
National – Weekend Australian	<input type="checkbox"/> 02	SA – The Advertiser	<input type="checkbox"/> 11
ACT – Sunday Canberra Times	<input type="checkbox"/> 03	SA – Sunday Mail	<input type="checkbox"/> 12
NSW – Saturday Telegraph	<input type="checkbox"/> 04	VIC – Saturday Age	<input type="checkbox"/> 13
NSW – Sunday Telegraph	<input type="checkbox"/> 05	VIC – Sunday Age	<input type="checkbox"/> 14
NSW – Sun Herald	<input type="checkbox"/> 06	VIC – Saturday Herald Sun	<input type="checkbox"/> 15
NSW – Sydney Morning Herald	<input type="checkbox"/> 07	VIC – Sunday Herald Sun	<input type="checkbox"/> 16
NT – NT News	<input type="checkbox"/> 08	WA – West Australian	<input type="checkbox"/> 17
QLD – Courier Mail	<input type="checkbox"/> 09	WA – Sunday Times	<input type="checkbox"/> 18

6. Which of the following types of magazines do you subscribe to or read (mark all that apply)?

	Subscribe	Read		Subscribe	Read
Business	<input type="checkbox"/> 01	<input type="checkbox"/> 09	Home decorating / DIY	<input type="checkbox"/> 17	<input type="checkbox"/> 25
Computing	<input type="checkbox"/> 02	<input type="checkbox"/> 10	Men's interests	<input type="checkbox"/> 18	<input type="checkbox"/> 26
Cooking / Food	<input type="checkbox"/> 03	<input type="checkbox"/> 11	Money / Investment	<input type="checkbox"/> 19	<input type="checkbox"/> 27
Current affairs	<input type="checkbox"/> 04	<input type="checkbox"/> 12	Motoring	<input type="checkbox"/> 20	<input type="checkbox"/> 28
Entertainment	<input type="checkbox"/> 05	<input type="checkbox"/> 13	Sport	<input type="checkbox"/> 21	<input type="checkbox"/> 29
Gardening	<input type="checkbox"/> 06	<input type="checkbox"/> 14	Travel	<input type="checkbox"/> 22	<input type="checkbox"/> 30
Geographical	<input type="checkbox"/> 07	<input type="checkbox"/> 15	Wine	<input type="checkbox"/> 23	<input type="checkbox"/> 31
Health	<input type="checkbox"/> 08	<input type="checkbox"/> 16	Women's interests	<input type="checkbox"/> 24	<input type="checkbox"/> 32

7. Which magazines do you read (mark all that apply)?

	You	Partner		You	Partner
AFR Smart Investor / BRW	<input type="checkbox"/> 01	<input type="checkbox"/> 12	New Idea	<input type="checkbox"/> 23	<input type="checkbox"/> 34
Australian Geographic	<input type="checkbox"/> 02	<input type="checkbox"/> 13	NW New Weekly	<input type="checkbox"/> 24	<input type="checkbox"/> 35
Australian Women's Weekly	<input type="checkbox"/> 03	<input type="checkbox"/> 14	Reader's Digest	<input type="checkbox"/> 25	<input type="checkbox"/> 36
Better Homes & Gardens	<input type="checkbox"/> 04	<input type="checkbox"/> 15	Shop till you drop	<input type="checkbox"/> 26	<input type="checkbox"/> 37
Cosmopolitan / Cleo	<input type="checkbox"/> 05	<input type="checkbox"/> 16	That's Life	<input type="checkbox"/> 27	<input type="checkbox"/> 38
Delicious	<input type="checkbox"/> 06	<input type="checkbox"/> 17	Time	<input type="checkbox"/> 28	<input type="checkbox"/> 39
House and Garden	<input type="checkbox"/> 07	<input type="checkbox"/> 18	TV Week	<input type="checkbox"/> 29	<input type="checkbox"/> 40
Inside Sport	<input type="checkbox"/> 08	<input type="checkbox"/> 19	Vogue / Vogue Living	<input type="checkbox"/> 30	<input type="checkbox"/> 41
Marie Claire	<input type="checkbox"/> 09	<input type="checkbox"/> 20	Who Weekly	<input type="checkbox"/> 31	<input type="checkbox"/> 42
Men's Health	<input type="checkbox"/> 10	<input type="checkbox"/> 21	Woman's Day	<input type="checkbox"/> 32	<input type="checkbox"/> 43
National Geographic	<input type="checkbox"/> 11	<input type="checkbox"/> 22	Wheels	<input type="checkbox"/> 33	<input type="checkbox"/> 44

8. How many bottles of wine per month do you consume in your home (on average)?

1-2 ☐ 01 3-5 ☐ 02 6-9 ☐ 03 10+ ☐ 04 None ☐ 05

9. How much do you pay per bottle of wine when drinking at home (on average)?

Up to \$10 ☐ 01 \$11-\$14 ☐ 02 \$15-\$20 ☐ 03 \$21-\$49 ☐ 04 \$50+ ☐ 05

10. Would you like to be contacted with exclusive, discounted, direct wine offers?

Yes ☐ 01 No ☐ 02

11. Do you ever bet on any of the following (mark all that apply)?

	In person	Via phone	Online	Casino		In person	Via phone	Online	Casino
Football	<input type="checkbox"/> 01	<input type="checkbox"/> 04	<input type="checkbox"/> 07	<input type="checkbox"/> 10	Lottery	<input type="checkbox"/> 13	<input type="checkbox"/> 16	<input type="checkbox"/> 19	<input type="checkbox"/> 22
Greyhounds	<input type="checkbox"/> 02	<input type="checkbox"/> 05	<input type="checkbox"/> 08	<input type="checkbox"/> 11	Other events	<input type="checkbox"/> 14	<input type="checkbox"/> 17	<input type="checkbox"/> 20	<input type="checkbox"/> 23
Horses	<input type="checkbox"/> 03	<input type="checkbox"/> 06	<input type="checkbox"/> 09	<input type="checkbox"/> 12	Other sport	<input type="checkbox"/> 15	<input type="checkbox"/> 18	<input type="checkbox"/> 21	<input type="checkbox"/> 24

12. Do you subscribe, or would you consider subscribing, to any of the following PAY TV services?

	Subscribe	Consider		Subscribe	Consider
Foxtel	<input type="checkbox"/> 01	<input type="checkbox"/> 04	Rental DVD's	<input type="checkbox"/> 07	<input type="checkbox"/> 10
Optus TV	<input type="checkbox"/> 02	<input type="checkbox"/> 05	SelecTV	<input type="checkbox"/> 08	<input type="checkbox"/> 11
Online Streaming	<input type="checkbox"/> 03	<input type="checkbox"/> 06	Telstra T-Box	<input type="checkbox"/> 09	<input type="checkbox"/> 12

13. Which of the following destinations have you visited on holiday in the last three years, or would consider visiting in the next 12 months?

	Have visited	Considering		Have visited	Considering
Asia	<input type="checkbox"/> 01	<input type="checkbox"/> 09	Australian Capital Territory	<input type="checkbox"/> 17	<input type="checkbox"/> 25
Australia	<input type="checkbox"/> 02	<input type="checkbox"/> 10	New South Wales	<input type="checkbox"/> 18	<input type="checkbox"/> 26
New Zealand	<input type="checkbox"/> 03	<input type="checkbox"/> 11	Northern Territory	<input type="checkbox"/> 19	<input type="checkbox"/> 27
Rest of Europe	<input type="checkbox"/> 04	<input type="checkbox"/> 12	Queensland	<input type="checkbox"/> 20	<input type="checkbox"/> 28
Rest of the World	<input type="checkbox"/> 05	<input type="checkbox"/> 13	South Australia	<input type="checkbox"/> 21	<input type="checkbox"/> 29
South America	<input type="checkbox"/> 06	<input type="checkbox"/> 14	Tasmania	<input type="checkbox"/> 22	<input type="checkbox"/> 30
UK / Ireland	<input type="checkbox"/> 07	<input type="checkbox"/> 15	Victoria	<input type="checkbox"/> 23	<input type="checkbox"/> 31
USA / Canada	<input type="checkbox"/> 08	<input type="checkbox"/> 16	Western Australia	<input type="checkbox"/> 24	<input type="checkbox"/> 32

14. Have you taken, or are you considering taking any of the following types of holidays within the next 12 months?

	Have taken	Considering		Have taken	Considering
Action adventure	<input type="checkbox"/> 01	<input type="checkbox"/> 06	Cruise	<input type="checkbox"/> 11	<input type="checkbox"/> 16
Backpacking	<input type="checkbox"/> 02	<input type="checkbox"/> 07	Fly / drive	<input type="checkbox"/> 12	<input type="checkbox"/> 17
Beach / island	<input type="checkbox"/> 03	<input type="checkbox"/> 08	Snow skiing	<input type="checkbox"/> 13	<input type="checkbox"/> 18
City	<input type="checkbox"/> 04	<input type="checkbox"/> 09	Train trip	<input type="checkbox"/> 14	<input type="checkbox"/> 19
Coach tour	<input type="checkbox"/> 05	<input type="checkbox"/> 10	Weekend / short break	<input type="checkbox"/> 15	<input type="checkbox"/> 20

2 Shopping

1. Which of the following supermarkets do you shop at (mark all that apply)?

Aldi	<input type="checkbox"/> 01	Franklins	<input type="checkbox"/> 04	Online	<input type="checkbox"/> 07
BiLo	<input type="checkbox"/> 02	IGA / Supa IGA	<input type="checkbox"/> 05	Other supermarket	<input type="checkbox"/> 08
Coles / Coles Express	<input type="checkbox"/> 03	Woolworths / Safeway	<input type="checkbox"/> 06		

2. How many times a month do you purchase goods or services by internet, mail or telephone?

Internet	Once <input type="checkbox"/> 01	2-3 times <input type="checkbox"/> 03	4+ times <input type="checkbox"/> 05	Never <input type="checkbox"/> 07
Mail or telephone	Once <input type="checkbox"/> 02	2-3 times <input type="checkbox"/> 04	4+ times <input type="checkbox"/> 06	Never <input type="checkbox"/> 08

3. Which of the following types of goods or services have you purchased by internet, mail or telephone in the past 12 months?

	Internet		Mail / Telephone	
	You	Partner	You	Partner
Books	<input type="checkbox"/> 01	<input type="checkbox"/> 15	<input type="checkbox"/> 29	<input type="checkbox"/> 43
Clothes	<input type="checkbox"/> 02	<input type="checkbox"/> 16	<input type="checkbox"/> 30	<input type="checkbox"/> 44
Computers – hardware / software	<input type="checkbox"/> 03	<input type="checkbox"/> 17	<input type="checkbox"/> 31	<input type="checkbox"/> 45
Cosmetics	<input type="checkbox"/> 04	<input type="checkbox"/> 18	<input type="checkbox"/> 32	<input type="checkbox"/> 46
Craft products	<input type="checkbox"/> 05	<input type="checkbox"/> 19	<input type="checkbox"/> 33	<input type="checkbox"/> 47
Electronics	<input type="checkbox"/> 06	<input type="checkbox"/> 20	<input type="checkbox"/> 34	<input type="checkbox"/> 48
Flights / holidays	<input type="checkbox"/> 07	<input type="checkbox"/> 21	<input type="checkbox"/> 35	<input type="checkbox"/> 49
Gifts / flowers	<input type="checkbox"/> 08	<input type="checkbox"/> 22	<input type="checkbox"/> 36	<input type="checkbox"/> 50
Home study courses	<input type="checkbox"/> 09	<input type="checkbox"/> 23	<input type="checkbox"/> 37	<input type="checkbox"/> 51
Movies (DVDs, videos)	<input type="checkbox"/> 10	<input type="checkbox"/> 24	<input type="checkbox"/> 38	<input type="checkbox"/> 52
Music (CDs, DVDs)	<input type="checkbox"/> 11	<input type="checkbox"/> 25	<input type="checkbox"/> 39	<input type="checkbox"/> 53
Plants	<input type="checkbox"/> 12	<input type="checkbox"/> 26	<input type="checkbox"/> 40	<input type="checkbox"/> 54
Vitamin / health supplements	<input type="checkbox"/> 13	<input type="checkbox"/> 27	<input type="checkbox"/> 41	<input type="checkbox"/> 55
Wine	<input type="checkbox"/> 14	<input type="checkbox"/> 28	<input type="checkbox"/> 42	<input type="checkbox"/> 56

4. Do you have or are you considering buying any of the following in the next six months?

	Have	Considering		Have	Considering
Baby products	<input type="checkbox"/> 01	<input type="checkbox"/> 09	iPad / tablet PC	<input type="checkbox"/> 17	<input type="checkbox"/> 25
Bedroom furniture	<input type="checkbox"/> 02	<input type="checkbox"/> 10	Laptop or PC	<input type="checkbox"/> 18	<input type="checkbox"/> 26
Digital SLR camera	<input type="checkbox"/> 03	<input type="checkbox"/> 11	Living room furniture	<input type="checkbox"/> 19	<input type="checkbox"/> 27
Dining room furniture	<input type="checkbox"/> 04	<input type="checkbox"/> 12	Outdoor furniture	<input type="checkbox"/> 20	<input type="checkbox"/> 28
Electrical appliances	<input type="checkbox"/> 05	<input type="checkbox"/> 13	TV	<input type="checkbox"/> 21	<input type="checkbox"/> 29
Holiday	<input type="checkbox"/> 06	<input type="checkbox"/> 14	Wedding	<input type="checkbox"/> 22	<input type="checkbox"/> 30
Home renovations / garden	<input type="checkbox"/> 07	<input type="checkbox"/> 15	White goods	<input type="checkbox"/> 23	<input type="checkbox"/> 31
Games console	<input type="checkbox"/> 08	<input type="checkbox"/> 16	Other major purchase	<input type="checkbox"/> 24	<input type="checkbox"/> 32

5. How many Loyalty Cards do you have?

1-2 ☐ 01 2-3 ☐ 02 4-5 ☐ 03 6+ ☐ 04

6. What types of Loyalty Cards do you have?

Coles	<input type="checkbox"/> 01	Myer One	<input type="checkbox"/> 04	Virgin	<input type="checkbox"/> 07	Other fashion	<input type="checkbox"/> 10
Dymocks	<input type="checkbox"/> 02	Priceline	<input type="checkbox"/> 05	Woolworths	<input type="checkbox"/> 08	Other grocery	<input type="checkbox"/> 11
Flybys	<input type="checkbox"/> 03	Qantas	<input type="checkbox"/> 06	Other entertainment	<input type="checkbox"/> 09	Other travel	<input type="checkbox"/> 12

3 Health and spirituality

Health and spirituality is brought to you by:



You may find some of the questions in this box sensitive in nature. Answering these questions is purely voluntary. By answering them, you enable us to provide your contact details to organisations that have relevant and appropriate offers. Where you provide answers on behalf of other people, please have them read this and obtain their consent to their contact information being provided.

1. Which of the following conditions and health issues affect you (mark all that apply)?

- | | |
|--|---|
| Alzheimer's <input type="checkbox"/> 01 | Hearing difficulties <input type="checkbox"/> 12 |
| Asthma <input type="checkbox"/> 02 | Heart related issues <input type="checkbox"/> 13 |
| Arthritis / rheumatism <input type="checkbox"/> 03 | High blood pressure <input type="checkbox"/> 14 |
| Back pain <input type="checkbox"/> 04 | High cholesterol <input type="checkbox"/> 15 |
| Bladder control <input type="checkbox"/> 05 | Migraines <input type="checkbox"/> 16 |
| Candida <input type="checkbox"/> 06 | Nerve pain <input type="checkbox"/> 17 |
| Diabetes <input type="checkbox"/> 07 | Osteoarthritis <input type="checkbox"/> 18 |
| Dry skin / eczema <input type="checkbox"/> 08 | Prostate concerns <input type="checkbox"/> 19 |
| Eyesight difficulties <input type="checkbox"/> 09 | Sleeping difficulties <input type="checkbox"/> 20 |
| Hair loss <input type="checkbox"/> 10 | Smoking <input type="checkbox"/> 21 |
| Hay fever / sinus <input type="checkbox"/> 11 | Stress and Depression <input type="checkbox"/> 22 |
| | Weight control <input type="checkbox"/> 23 |

2. Does anyone in your household wear any of the following?

- | | | | | | |
|---|--|--------------------------------------|---|---|--------------------------------------|
| You <input type="checkbox"/> 01 | Partner <input type="checkbox"/> 02 | Children <input type="checkbox"/> 03 | You <input type="checkbox"/> 04 | Partner <input type="checkbox"/> 05 | Children <input type="checkbox"/> 06 |
| Contact lenses - disposable <input type="checkbox"/> 01 | Prescription glasses <input type="checkbox"/> 07 | | Contact lenses - hard <input type="checkbox"/> 02 | Prescription sunglasses <input type="checkbox"/> 08 | |

3. Do you use or participate in any of the following (mark all that apply)?

- | | | |
|---|---|--|
| Alternative therapies <input type="checkbox"/> 01 | Herbal remedies <input type="checkbox"/> 02 | Slimming products <input type="checkbox"/> 03 |
| Aromatherapy <input type="checkbox"/> 04 | Meditation <input type="checkbox"/> 05 | Vitamin / food supplements <input type="checkbox"/> 06 |
| Health foods <input type="checkbox"/> 07 | Pilates <input type="checkbox"/> 08 | Yoga <input type="checkbox"/> 09 |

4. Do you attend church or any other place of worship?

- | | | | | | |
|--|---|---|-------------------------------------|--------------------------------|-------------------------------------|
| You <input type="checkbox"/> 01 | Partner <input type="checkbox"/> 02 | You <input type="checkbox"/> 03 | Partner <input type="checkbox"/> 04 | No <input type="checkbox"/> 05 | Partner <input type="checkbox"/> 06 |
| Yes - frequently <input type="checkbox"/> 01 | Yes - sometimes <input type="checkbox"/> 02 | Yes - sometimes <input type="checkbox"/> 03 | No <input type="checkbox"/> 04 | No <input type="checkbox"/> 05 | Partner <input type="checkbox"/> 06 |

5. Do you have private health insurance?

- No - and I would not consider taking it out ☐ 01
- No - but I would consider taking it out ☐ 02
- Yes - and I would not consider switching to another provider ☐ 03
- Yes - but I would consider switching to another provider ☐ 04

6. If you have private health insurance, which fund do you belong to?

- | | | | |
|--|---|--|-----------------------------------|
| AHM <input type="checkbox"/> 01 | GMHBA <input type="checkbox"/> 02 | Medibank Private <input type="checkbox"/> 03 | SGIO <input type="checkbox"/> 04 |
| ANZ Health <input type="checkbox"/> 05 | HBF <input type="checkbox"/> 06 | Mutual Community <input type="checkbox"/> 07 | Other <input type="checkbox"/> 08 |
| Australian Unity <input type="checkbox"/> 09 | HCF <input type="checkbox"/> 10 | NIB <input type="checkbox"/> 11 | |
| Bupa <input type="checkbox"/> 12 | Health Cover Direct <input type="checkbox"/> 13 | NRMA <input type="checkbox"/> 14 | |

4 Your home

Your home is brought to you by:



* If you provide your contact details, iSelect may contact you about your chosen service/s. See iSelect's website to view their participating providers. iSelect Mortgages Pty Ltd (ACN 148 217 181) is an authorised credit representative of Australian Financial Group Limited. Credit Licence Number 389087.

2. Which of the following best describes your home?

- Flat / unit ☐ 01 Separate house ☐ 02 Semi-detached ☐ 03 Other ☐ 04

3. How many bedrooms are in your home?

- 1 ☐ 01 2 ☐ 02 3 ☐ 03 4 ☐ 04 5+ ☐ 05

4. How many people live at your address, including yourself?

- 1 ☐ 01 2 ☐ 02 3 ☐ 03 4 ☐ 04 5 ☐ 05 6+ ☐ 06

5. What is your marital status?

- Single ☐ 01 Married / de facto ☐ 02 Divorced / separated ☐ 03 Widowed ☐ 04

6. If you have children living at your home, please indicate their month and year of birth, and gender.

- | | | | | | | | | | |
|-----------|----------------------------|---------------------------|-------------------------------|---------------------------------|-------------|----------------------------|---------------------------|-------------------------------|---------------------------------|
| Child one | Month <input type="text"/> | Year <input type="text"/> | Male <input type="checkbox"/> | Female <input type="checkbox"/> | Child three | Month <input type="text"/> | Year <input type="text"/> | Male <input type="checkbox"/> | Female <input type="checkbox"/> |
| Child two | Month <input type="text"/> | Year <input type="text"/> | Male <input type="checkbox"/> | Female <input type="checkbox"/> | Child four | Month <input type="text"/> | Year <input type="text"/> | Male <input type="checkbox"/> | Female <input type="checkbox"/> |

7. Would you consider private education for your children?

- Yes ☐ 01 Possibly ☐ 02 No ☐ 03

8. Would you consider InsuranceLine Life Insurance to help protect your family and like someone from InsuranceLine to contact you?

- Yes ☐ 01 No ☐ 02

9. How many cats and dogs live in your home?

- | | | | | |
|------|----------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Cats | None <input type="checkbox"/> 01 | 1 <input type="checkbox"/> 02 | 2 <input type="checkbox"/> 03 | 3+ <input type="checkbox"/> 04 |
| Dogs | None <input type="checkbox"/> 05 | 1 <input type="checkbox"/> 06 | 2 <input type="checkbox"/> 07 | 3+ <input type="checkbox"/> 08 |

10. In which year was your home built?

Year

11. When did you move into your home?

Month (eg. Jan = 01) Year

12. Are you planning to move house in the next 12 months?

- Yes - in 1-3 months ☐ 01 Yes - in 4-6 months ☐ 02 Yes - in 7-12 months ☐ 03 No ☐ 04

13. Do you own or rent your home?

- Own - outright ☐ 01 Own - with mortgage ☐ 02 Rent - govt ☐ 03 Rent - private ☐ 04

14. If you own your own home or have a mortgage, what is the current value of:

a) your home; b) amount still owing on your mortgage; c) amount in home equity?

- | Value | Home <input type="checkbox"/> | Mortgage owing <input type="checkbox"/> | Home equity <input type="checkbox"/> |
|---------------------------|-------------------------------|---|--------------------------------------|
| Less than \$200,000 | <input type="checkbox"/> 01 | <input type="checkbox"/> 09 | <input type="checkbox"/> 17 |
| \$200,000 - \$300,000 | <input type="checkbox"/> 02 | <input type="checkbox"/> 10 | <input type="checkbox"/> 18 |
| \$300,000 - \$400,000 | <input type="checkbox"/> 03 | <input type="checkbox"/> 11 | <input type="checkbox"/> 19 |
| \$400,000 - \$500,000 | <input type="checkbox"/> 04 | <input type="checkbox"/> 12 | <input type="checkbox"/> 20 |
| \$500,000 - \$700,000 | <input type="checkbox"/> 05 | <input type="checkbox"/> 13 | <input type="checkbox"/> 21 |
| \$700,000 - \$1,000,000 | <input type="checkbox"/> 06 | <input type="checkbox"/> 14 | <input type="checkbox"/> 22 |
| \$1,000,000 - \$1,500,000 | <input type="checkbox"/> 07 | <input type="checkbox"/> 15 | <input type="checkbox"/> 23 |
| \$1,500,000 + | <input type="checkbox"/> 08 | <input type="checkbox"/> 16 | <input type="checkbox"/> 24 |

15. Which companies do you use for your internet, mobile and landline?

- | | Internet <input type="checkbox"/> | Mobile <input type="checkbox"/> | Landline <input type="checkbox"/> |
|-------------------|-----------------------------------|---------------------------------|-----------------------------------|
| AAPT | <input type="checkbox"/> 01 | <input type="checkbox"/> 14 | <input type="checkbox"/> 27 |
| Dodo | <input type="checkbox"/> 02 | <input type="checkbox"/> 15 | <input type="checkbox"/> 28 |
| iNet | <input type="checkbox"/> 03 | <input type="checkbox"/> 16 | <input type="checkbox"/> 29 |
| Optus | <input type="checkbox"/> 04 | <input type="checkbox"/> 17 | <input type="checkbox"/> 30 |
| Primus / iPrimus | <input type="checkbox"/> 05 | <input type="checkbox"/> 18 | <input type="checkbox"/> 31 |
| Soul / Digipuls | <input type="checkbox"/> 06 | <input type="checkbox"/> 19 | <input type="checkbox"/> 32 |
| Telstra / Bigpond | <input type="checkbox"/> 07 | <input type="checkbox"/> 20 | <input type="checkbox"/> 33 |
| 3 | <input type="checkbox"/> 08 | <input type="checkbox"/> 21 | <input type="checkbox"/> 34 |
| TPG | <input type="checkbox"/> 09 | <input type="checkbox"/> 22 | <input type="checkbox"/> 35 |
| Virgin | <input type="checkbox"/> 10 | <input type="checkbox"/> 23 | <input type="checkbox"/> 36 |
| Vodafone | <input type="checkbox"/> 11 | <input type="checkbox"/> 24 | <input type="checkbox"/> 37 |
| Westnet / BOB | <input type="checkbox"/> 12 | <input type="checkbox"/> 25 | <input type="checkbox"/> 38 |
| Other | <input type="checkbox"/> 13 | <input type="checkbox"/> 26 | <input type="checkbox"/> 39 |

16. What is the allocated data package on your mobile and internet?

- | | <1GB <input type="checkbox"/> | 2-10GB <input type="checkbox"/> | 11-50GB <input type="checkbox"/> | 51-100GB <input type="checkbox"/> | Unlimited <input type="checkbox"/> |
|----------|-------------------------------|---------------------------------|----------------------------------|-----------------------------------|------------------------------------|
| Mobile | <input type="checkbox"/> 01 | <input type="checkbox"/> 03 | <input type="checkbox"/> 05 | <input type="checkbox"/> 07 | <input type="checkbox"/> 09 |
| Internet | <input type="checkbox"/> 02 | <input type="checkbox"/> 04 | <input type="checkbox"/> 06 | <input type="checkbox"/> 08 | <input type="checkbox"/> 10 |

17. What type of mobile handset do you currently have?

- | | You <input type="checkbox"/> | Partner <input type="checkbox"/> | You <input type="checkbox"/> | Partner <input type="checkbox"/> |
|------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
| Android | <input type="checkbox"/> 01 | <input type="checkbox"/> 04 | Non Smart Phone | <input type="checkbox"/> 10 |
| Apple iOS | <input type="checkbox"/> 02 | <input type="checkbox"/> 05 | Windows | <input type="checkbox"/> 11 |
| Blackberry | <input type="checkbox"/> 03 | <input type="checkbox"/> 06 | Other | <input type="checkbox"/> 12 |

18. What brand of mobile do you currently have?

- | | You <input type="checkbox"/> | Partner <input type="checkbox"/> | You <input type="checkbox"/> | Partner <input type="checkbox"/> | You <input type="checkbox"/> | Partner <input type="checkbox"/> |
|--------------|------------------------------|----------------------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
| Blackberry | <input type="checkbox"/> 01 | <input type="checkbox"/> 05 | LG | <input type="checkbox"/> 09 | Samsung | <input type="checkbox"/> 15 |
| Google Nexus | <input type="checkbox"/> 02 | <input type="checkbox"/> 06 | Motorola | <input type="checkbox"/> 10 | Sony Ericsson | <input type="checkbox"/> 16 |
| HTC | <input type="checkbox"/> 03 | <input type="checkbox"/> 07 | Nokia | <input type="checkbox"/> 11 | Other | <input type="checkbox"/> 17 |
| iPhone | <input type="checkbox"/> 04 | <input type="checkbox"/> 08 | | <input type="checkbox"/> 14 | | <input type="checkbox"/> 20 |

19. When is your current mobile contract due to end, or are you on prepaid?

- | | Prepaid <input type="checkbox"/> | Prepaid <input type="checkbox"/> |
|-----|----------------------------------|----------------------------------|
| You | <input type="text"/> | Partner |

20. Which regions of the world do you telephone (mark all that apply)?

- | | | | |
|---------------------------------------|---|---|---|
| Asia <input type="checkbox"/> 01 | New Zealand <input type="checkbox"/> 03 | South America <input type="checkbox"/> 05 | Rest of Europe <input type="checkbox"/> 07 |
| Australia <input type="checkbox"/> 02 | North America <input type="checkbox"/> 04 | UK / Ireland <input type="checkbox"/> 06 | Rest of the World <input type="checkbox"/> 08 |

21. What are your quarterly bills for the following?

- | | Electricity <input type="checkbox"/> | Gas <input type="checkbox"/> | Electricity <input type="checkbox"/> | Gas <input type="checkbox"/> |
|---------------|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
| Up to \$200 | <input type="checkbox"/> 01 | <input type="checkbox"/> 04 | \$501 - \$700 | <input type="checkbox"/> 07 |
| \$201 - \$300 | <input type="checkbox"/> 02 | <input type="checkbox"/> 05 | \$701 + | <input type="checkbox"/> 08 |
| \$301 - \$500 | <input type="checkbox"/> 03 | <input type="checkbox"/> 06 | | <input type="checkbox"/> 09 |

22. Would you like to receive special offers about any of the following services?

- | | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
|------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Mobile broadband | <input type="checkbox"/> 01 | <input type="checkbox"/> 04 | Mobile handsets | <input type="checkbox"/> 07 |
| Mobile handsets | <input type="checkbox"/> 02 | <input type="checkbox"/> 05 | Mobile plans | <input type="checkbox"/> 10 |
| Mobile plans | <input type="checkbox"/> 03 | <input type="checkbox"/> 06 | | <input type="checkbox"/> 12 |

23. Do you use renewable / green energy?

- Yes ☐ 01 No - but I would consider it ☐ 02 No - and I would not consider it ☐ 03

24. How do you prefer to pay your bills?

- Direct debit ☐ 01 In person ☐ 02 Mail ☐ 03 Online ☐ 04 Phone ☐ 05

25. When are your insurance policies due for renewal (mark approximate if unsure)?

- | | Home contents <input type="checkbox"/> | Buildings <input type="checkbox"/> | Your car <input type="checkbox"/> | Partner car <input type="checkbox"/> | Home contents <input type="checkbox"/> | Buildings <input type="checkbox"/> | Your car <input type="checkbox"/> | Partner car <input type="checkbox"/> |
|-----|--|------------------------------------|-----------------------------------|--------------------------------------|--|------------------------------------|-----------------------------------|--------------------------------------|
| Jan | <input type="checkbox"/> 01 | <input type="checkbox"/> 07 | <input type="checkbox"/> 13 | <input type="checkbox"/> 19 | Jul | <input type="checkbox"/> 25 | <input type="checkbox"/> 31 | <input type="checkbox"/> 37 |
| Feb | <input type="checkbox"/> 02 | <input type="checkbox"/> 08 | <input type="checkbox"/> 14 | <input type="checkbox"/> 20 | Aug | <input type="checkbox"/> 26 | <input type="checkbox"/> 32 | <input type="checkbox"/> 38 |
| Mar | <input type="checkbox"/> 03 | <input type="checkbox"/> 09 | <input type="checkbox"/> 15 | <input type="checkbox"/> 21 | Sep | <input type="checkbox"/> 27 | <input type="checkbox"/> 33 | <input type="checkbox"/> 39 |
| Apr | <input type="checkbox"/> 04 | <input type="checkbox"/> 10 | <input type="checkbox"/> 16 | <input type="checkbox"/> 22 | Oct | <input type="checkbox"/> 28 | <input type="checkbox"/> 34 | <input type="checkbox"/> 40 |
| May | <input type="checkbox"/> 05 | <input type="checkbox"/> 11 | <input type="checkbox"/> 17 | <input type="checkbox"/> 23 | Nov | <input type="checkbox"/> 29 | <input type="checkbox"/> 35 | <input type="checkbox"/> 41 |
| Jun | <input type="checkbox"/> 06 | <input type="checkbox"/> 12 | <input type="checkbox"/> 18 | <input type="checkbox"/> 24 | Dec | <input type="checkbox"/> 30 | <input type="checkbox"/> 36 | <input type="checkbox"/> 42 |

5 Motoring

1. How many cars does your household have?

1 ☐ 01 2 ☐ 02 3 ☐ 03 4 ☐ 04 5 ☐ 05 6 ☐ 06

2. What make and model of vehicle do you drive?

(eg. FORD FALCON, HOLDEN COMMODORE, BMW 318Ti)

You	M	A	K	E															
You	M	O	D	E	L														
Partner	M	A	K	E															
Partner	M	O	D	E	L														

3. What type of vehicle do you drive?

You	Partner		You	Partner
4WD / SUV	<input type="checkbox"/> 01 <input type="checkbox"/> 06	Sedan	<input type="checkbox"/> 11 <input type="checkbox"/> 16	
Hatchback	<input type="checkbox"/> 02 <input type="checkbox"/> 07	Sports car / convertible	<input type="checkbox"/> 12 <input type="checkbox"/> 17	
Hybrid	<input type="checkbox"/> 03 <input type="checkbox"/> 08	Station wagon	<input type="checkbox"/> 13 <input type="checkbox"/> 18	
Motorbike	<input type="checkbox"/> 04 <input type="checkbox"/> 09	Utility / van	<input type="checkbox"/> 14 <input type="checkbox"/> 19	
People mover	<input type="checkbox"/> 05 <input type="checkbox"/> 10	Other	<input type="checkbox"/> 15 <input type="checkbox"/> 20	

4. What is the year of manufacture of your vehicle?

You Partner

5. Who is your vehicle insurer?

You	Partner		You	Partner
AAMI	<input type="checkbox"/> 01 <input type="checkbox"/> 10	QBE / Mercantile	<input type="checkbox"/> 19 <input type="checkbox"/> 27	
Allianz / CIC	<input type="checkbox"/> 02 <input type="checkbox"/> 11	RACV / RACQ	<input type="checkbox"/> 20 <input type="checkbox"/> 28	
APIA	<input type="checkbox"/> 03 <input type="checkbox"/> 12	Real Insurance	<input type="checkbox"/> 21 <input type="checkbox"/> 29	
Bingle	<input type="checkbox"/> 04 <input type="checkbox"/> 13	SGIO / SGIC	<input type="checkbox"/> 22 <input type="checkbox"/> 30	
Budget Direct	<input type="checkbox"/> 05 <input type="checkbox"/> 14	Suncorp / GIO	<input type="checkbox"/> 23 <input type="checkbox"/> 31	
CGU / VACC	<input type="checkbox"/> 06 <input type="checkbox"/> 15	Vero / Royal & Sun Alliances	<input type="checkbox"/> 24 <input type="checkbox"/> 32	
Just Car Insurance	<input type="checkbox"/> 07 <input type="checkbox"/> 16	Youi	<input type="checkbox"/> 25 <input type="checkbox"/> 33	
Mutual	<input type="checkbox"/> 08 <input type="checkbox"/> 17	Other	<input type="checkbox"/> 26 <input type="checkbox"/> 34	
NRMA	<input type="checkbox"/> 09 <input type="checkbox"/> 18			

6. How many thousand kilometres do you drive each year?

You Partner You Partner You Partner You Partner

0-5 ☐ 01 ☐ 02 5-10 ☐ 03 ☐ 04 10-15 ☐ 05 ☐ 06 15+ ☐ 07 ☐ 08

7. Do you plan to buy a car within the next 12 months?

You Partner You Partner You Partner

Yes – a new car ☐ 01 ☐ 02 Yes – a used car ☐ 03 ☐ 04 No ☐ 05 ☐ 06

8. When do you plan to replace your car?

You Partner

9. What is the budget for your next car (approximately)?

You	Partner	You	Partner	You	Partner
Up to \$15,000	<input type="checkbox"/> 01 <input type="checkbox"/> 04	\$30,001–\$40,000	<input type="checkbox"/> 07 <input type="checkbox"/> 10	\$60,001–\$80,000	<input type="checkbox"/> 13 <input type="checkbox"/> 16
\$15,001–\$20,000	<input type="checkbox"/> 02 <input type="checkbox"/> 05	\$40,001–\$50,000	<input type="checkbox"/> 08 <input type="checkbox"/> 11	\$80,001–\$100,000	<input type="checkbox"/> 14 <input type="checkbox"/> 17
\$20,001–\$30,000	<input type="checkbox"/> 03 <input type="checkbox"/> 06	\$50,001–\$60,000	<input type="checkbox"/> 09 <input type="checkbox"/> 12	\$100,001+	<input type="checkbox"/> 15 <input type="checkbox"/> 18

6 Money and investments

1. Which of the following financial institutions are you associated with (mark all that apply)?

You	Partner		You	Partner
Adelaide Bank	<input type="checkbox"/> 01 <input type="checkbox"/> 13	ING	<input type="checkbox"/> 25 <input type="checkbox"/> 37	
AMP	<input type="checkbox"/> 02 <input type="checkbox"/> 14	Macquarie Bank	<input type="checkbox"/> 26 <input type="checkbox"/> 38	
ANZ	<input type="checkbox"/> 03 <input type="checkbox"/> 15	National Australia Bank	<input type="checkbox"/> 27 <input type="checkbox"/> 39	
Aussie Mortgage	<input type="checkbox"/> 04 <input type="checkbox"/> 16	RAMS	<input type="checkbox"/> 28 <input type="checkbox"/> 40	
Market / Aussie Home Loans		St George	<input type="checkbox"/> 29 <input type="checkbox"/> 41	
Bank West	<input type="checkbox"/> 05 <input type="checkbox"/> 17	Suncorp Metway	<input type="checkbox"/> 30 <input type="checkbox"/> 42	
Bank of Melbourne	<input type="checkbox"/> 06 <input type="checkbox"/> 18	Westpac	<input type="checkbox"/> 31 <input type="checkbox"/> 43	
Bank of Queensland	<input type="checkbox"/> 07 <input type="checkbox"/> 19	Wizd	<input type="checkbox"/> 32 <input type="checkbox"/> 44	
Bendigo Bank	<input type="checkbox"/> 08 <input type="checkbox"/> 20	Other – building society	<input type="checkbox"/> 33 <input type="checkbox"/> 45	
Citibank	<input type="checkbox"/> 09 <input type="checkbox"/> 21	Other – credit union	<input type="checkbox"/> 34 <input type="checkbox"/> 46	
Commonwealth Bank	<input type="checkbox"/> 10 <input type="checkbox"/> 22	Other – financial institution	<input type="checkbox"/> 35 <input type="checkbox"/> 47	
GE Money	<input type="checkbox"/> 11 <input type="checkbox"/> 23	Other – mortgage broker	<input type="checkbox"/> 36 <input type="checkbox"/> 48	
HSBC	<input type="checkbox"/> 12 <input type="checkbox"/> 24			

2. Where do you do the majority of your banking?

In a branch ☐ 01 Online (computer) ☐ 02 Online (mobile) ☐ 03 Telephone ☐ 04

3. Which of the following credit cards do you have (mark all that apply)?

You	Partner		You	Partner
American Express	<input type="checkbox"/> 01 <input type="checkbox"/> 04	VISA	<input type="checkbox"/> 07 <input type="checkbox"/> 09	
Diners Club	<input type="checkbox"/> 02 <input type="checkbox"/> 05	Other	<input type="checkbox"/> 08 <input type="checkbox"/> 10	
MasterCard	<input type="checkbox"/> 03 <input type="checkbox"/> 06			

Money and Investments
is brought to you by:

insuranceLine

4. Are you considering any of these products in the near future and would like someone from InsuranceLine to contact you?

Yes	No
Funeral Insurance	<input type="checkbox"/> 01 <input type="checkbox"/> 04
Income Protection Insurance	<input type="checkbox"/> 02 <input type="checkbox"/> 05
Life Insurance	<input type="checkbox"/> 03 <input type="checkbox"/> 06

InsuranceLine is a trading name of TAL Direct Pty Limited ABN 39 084 666 017 AFSL 243260.
Life insurance products issued by TAL Life Limited ABN 70 050 109 450 AFSL 237848.

5. What is the credit limit on your main credit card?

You	Partner		You	Partner
Up to \$2,500	<input type="checkbox"/> 01 <input type="checkbox"/> 04	\$10,001–\$15,000	<input type="checkbox"/> 07 <input type="checkbox"/> 10	
\$2,501–\$5,000	<input type="checkbox"/> 02 <input type="checkbox"/> 05	\$15,001–\$25,000	<input type="checkbox"/> 08 <input type="checkbox"/> 11	
\$5,001–\$10,000	<input type="checkbox"/> 03 <input type="checkbox"/> 06	\$25,001+	<input type="checkbox"/> 09 <input type="checkbox"/> 12	

6. What is your monthly credit card spend (approximately)?

You	Partner		You	Partner
Up to \$500	<input type="checkbox"/> 01 <input type="checkbox"/> 03	\$1,001–\$3,000	<input type="checkbox"/> 05 <input type="checkbox"/> 07	
\$501–\$1,000	<input type="checkbox"/> 02 <input type="checkbox"/> 04	\$3,001+	<input type="checkbox"/> 06 <input type="checkbox"/> 08	

7. Do you have, or are you considering, any of the following?

Have	Considering		Have	Considering
Bill relief	<input type="checkbox"/> 01 <input type="checkbox"/> 12	Legal will	<input type="checkbox"/> 23 <input type="checkbox"/> 33	
Credit card	<input type="checkbox"/> 02 <input type="checkbox"/> 13	Loan – home	<input type="checkbox"/> 24 <input type="checkbox"/> 34	
Education savings plan	<input type="checkbox"/> 03 <input type="checkbox"/> 14	Loan – home equity	<input type="checkbox"/> 25 <input type="checkbox"/> 35	
Funeral plan	<input type="checkbox"/> 04 <input type="checkbox"/> 15	release / reverse mortgage		
Gold / precious metals	<input type="checkbox"/> 05 <input type="checkbox"/> 16	Loan – investment property	<input type="checkbox"/> 26 <input type="checkbox"/> 36	
Income protection insurance	<input type="checkbox"/> 06 <input type="checkbox"/> 17	Loan – margin	<input type="checkbox"/> 27 <input type="checkbox"/> 37	
Insurance – accident	<input type="checkbox"/> 07 <input type="checkbox"/> 18	Loan – personal	<input type="checkbox"/> 28 <input type="checkbox"/> 38	
Insurance – health	<input type="checkbox"/> 08 <input type="checkbox"/> 19	Managed investment fund	<input type="checkbox"/> 29 <input type="checkbox"/> 39	
Insurance – life	<input type="checkbox"/> 09 <input type="checkbox"/> 20	Shares	<input type="checkbox"/> 30 <input type="checkbox"/> 40	
Insurance – pet	<input type="checkbox"/> 10 <input type="checkbox"/> 21	Superannuation (personal)	<input type="checkbox"/> 31 <input type="checkbox"/> 41	
Insurance – serious illness	<input type="checkbox"/> 11 <input type="checkbox"/> 22	Term deposit	<input type="checkbox"/> 32 <input type="checkbox"/> 42	

8. Would you consider an InsuranceLine Funeral Plan to help protect your family and like someone from InsuranceLine to contact you?

Yes ☐ 01 No ☐ 02

9. Do you have a self managed super fund (Do-It-Yourself)?

You	Partner		You	Partner		You	Partner
Yes	<input type="checkbox"/> 01 <input type="checkbox"/> 02	No	<input type="checkbox"/> 03 <input type="checkbox"/> 04	No, but would be interested	<input type="checkbox"/> 05 <input type="checkbox"/> 06		

10. What is the value of your work-based super funds (approximately)?

You	Partner		You	Partner
Up to \$50,000	<input type="checkbox"/> 01 <input type="checkbox"/> 04	\$200,001–\$500,000	<input type="checkbox"/> 07 <input type="checkbox"/> 10	
\$50,001–\$100,000	<input type="checkbox"/> 02 <input type="checkbox"/> 05	\$500,001+	<input type="checkbox"/> 08 <input type="checkbox"/> 11	
\$100,001–\$200,000	<input type="checkbox"/> 03 <input type="checkbox"/> 06	Not sure	<input type="checkbox"/> 09 <input type="checkbox"/> 12	

11. Would you like to use your home equity to build wealth?

Yes ☐ 01 Possibly ☐ 02 No ☐ 03

12. Would you like to use your super to buy an investment property?

Yes ☐ 01 Possibly ☐ 02 No ☐ 03

13. What is the value of your investments (approximately)?

Savings / Cheque Passbook Accounts	Cash Management / Term Deposit Accounts	Share / Unit Trusts / Managed Fund Accounts
\$1–\$10,000	<input type="checkbox"/> 01 <input type="checkbox"/> 07	<input type="checkbox"/> 13
\$10,001–\$25,000	<input type="checkbox"/> 02 <input type="checkbox"/> 08	<input type="checkbox"/> 14
\$25,001–\$50,000	<input type="checkbox"/> 03 <input type="checkbox"/> 09	<input type="checkbox"/> 15
\$50,001–\$100,000	<input type="checkbox"/> 04 <input type="checkbox"/> 10	<input type="checkbox"/> 16
\$100,001–\$500,000	<input type="checkbox"/> 05 <input type="checkbox"/> 11	<input type="checkbox"/> 17
\$500,001+	<input type="checkbox"/> 06 <input type="checkbox"/> 12	<input type="checkbox"/> 18

14. Have you used, or would you consider using, any of the following to assist with your investment / insurance needs?

Have	Considering
Direct to fund manager	<input type="checkbox"/> 01 <input type="checkbox"/> 06
Discount broker	<input type="checkbox"/> 02 <input type="checkbox"/> 07
Financial planner	<input type="checkbox"/> 03 <input type="checkbox"/> 08
Mortgage broker	<input type="checkbox"/> 04 <input type="checkbox"/> 09
Stockbroker	<input type="checkbox"/> 05 <input type="checkbox"/> 10

15. Are you self-employed, own your own home and looking for funds to purchase a new business or grow your existing business?

Yes ☐ 01 Possibly ☐ 02 No ☐ 03

16. If you have a home loan, would you consider any of the following?

Yes	Possibly	No
Changing your home loan provider	<input type="checkbox"/> 01 <input type="checkbox"/> 04	<input type="checkbox"/> 07
Increasing your repayments to decrease the loan term	<input type="checkbox"/> 02 <input type="checkbox"/> 05	<input type="checkbox"/> 08
Reducing your repayments	<input type="checkbox"/> 03 <input type="checkbox"/> 06	<input type="checkbox"/> 09

17. If considering a home loan, which of the following would it be for? (mark all that apply)

Commercial property	<input type="checkbox"/> 01	House	<input type="checkbox"/> 03	Townhouse	<input type="checkbox"/> 05
First home buyer	<input type="checkbox"/> 02	Investment property	<input type="checkbox"/> 04	Unit/villa/apartment	<input type="checkbox"/> 06

7 Charitable concerns

1. Do you regularly support charities by any of the following methods (mark all that apply)?

By mail / credit card	<input type="checkbox"/> 01	<input type="checkbox"/> 03	Online / credit card	<input type="checkbox"/> 05	<input type="checkbox"/> 07
Direct debit	<input type="checkbox"/> 02	<input type="checkbox"/> 04	Raffle / lottery tickets	<input type="checkbox"/> 06	<input type="checkbox"/> 08

2. Would you consider supporting / donating to any of the following causes (mark all that apply)?

Animal welfare	<input type="checkbox"/> 01	<input type="checkbox"/> 11	Mental health	<input type="checkbox"/> 21	<input type="checkbox"/> 31
Arts / culture	<input type="checkbox"/> 02	<input type="checkbox"/> 12	The blind	<input type="checkbox"/> 22	<input type="checkbox"/> 32
Cancer research	<input type="checkbox"/> 03	<input type="checkbox"/> 13	The deaf	<input type="checkbox"/> 23	<input type="checkbox"/> 33
Children's hospitals	<input type="checkbox"/> 04	<input type="checkbox"/> 14	The disabled / handicapped	<input type="checkbox"/> 24	<input type="checkbox"/> 34
Children's welfare	<input type="checkbox"/> 05	<input type="checkbox"/> 15	The elderly	<input type="checkbox"/> 25	<input type="checkbox"/> 35
Disaster relief	<input type="checkbox"/> 06	<input type="checkbox"/> 16	The homeless	<input type="checkbox"/> 26	<input type="checkbox"/> 36
Environment	<input type="checkbox"/> 07	<input type="checkbox"/> 17	Third world causes	<input type="checkbox"/> 27	<input type="checkbox"/> 37
Heart research	<input type="checkbox"/> 08	<input type="checkbox"/> 18	Trauma victims	<input type="checkbox"/> 28	<input type="checkbox"/> 38
Human rights	<input type="checkbox"/> 09	<input type="checkbox"/> 19	War veterans	<input type="checkbox"/> 29	<input type="checkbox"/> 39
Medical research	<input type="checkbox"/> 10	<input type="checkbox"/> 20	Wildlife	<input type="checkbox"/> 30	<input type="checkbox"/> 40

3. Would you consider supporting / donating to any of the following charities (mark all that apply)?

Alzheimer's Australia	<input type="checkbox"/> 01	<input type="checkbox"/> 22	MS Society	<input type="checkbox"/> 43	<input type="checkbox"/> 64
Amnesty International	<input type="checkbox"/> 02	<input type="checkbox"/> 23	National Stroke Research Institute	<input type="checkbox"/> 44	<input type="checkbox"/> 65
Anglicare	<input type="checkbox"/> 03	<input type="checkbox"/> 24	Oncology Children's Foundation (OCF)	<input type="checkbox"/> 45	<input type="checkbox"/> 66
Arthritis Foundation	<input type="checkbox"/> 04	<input type="checkbox"/> 25	Royal Society for the Blind	<input type="checkbox"/> 46	<input type="checkbox"/> 67
Australian Cancer Research Foundation	<input type="checkbox"/> 05	<input type="checkbox"/> 26	Royal Children's Hospital Foundation	<input type="checkbox"/> 47	<input type="checkbox"/> 68
Australian Childhood Foundation	<input type="checkbox"/> 06	<input type="checkbox"/> 27	Royal Flying Doctor Service	<input type="checkbox"/> 48	<input type="checkbox"/> 69
Cancer Council Australia	<input type="checkbox"/> 07	<input type="checkbox"/> 28	Royal Guide Dogs Assoc.	<input type="checkbox"/> 49	<input type="checkbox"/> 70
Canteen	<input type="checkbox"/> 08	<input type="checkbox"/> 29	RSL (Returned and Services League)	<input type="checkbox"/> 50	<input type="checkbox"/> 71
Corobal Palsy Alliance	<input type="checkbox"/> 09	<input type="checkbox"/> 30	RSPCA	<input type="checkbox"/> 51	<input type="checkbox"/> 72
Children's Cancer Institute Australia	<input type="checkbox"/> 10	<input type="checkbox"/> 31	Salvation Army	<input type="checkbox"/> 52	<input type="checkbox"/> 73
Christian Blind Mission	<input type="checkbox"/> 11	<input type="checkbox"/> 32	Save the Children Australia	<input type="checkbox"/> 53	<input type="checkbox"/> 74
Diabetes Australia	<input type="checkbox"/> 12	<input type="checkbox"/> 33	Smith Family	<input type="checkbox"/> 54	<input type="checkbox"/> 75
Ethiopiaid	<input type="checkbox"/> 13	<input type="checkbox"/> 34	St John Ambulance	<input type="checkbox"/> 55	<input type="checkbox"/> 76
Fred Hollows Foundation	<input type="checkbox"/> 14	<input type="checkbox"/> 35	St Vincent de Paul	<input type="checkbox"/> 56	<input type="checkbox"/> 77
Gallipoli Medical Research Foundation	<input type="checkbox"/> 15	<input type="checkbox"/> 36	Starlight Foundation	<input type="checkbox"/> 57	<input type="checkbox"/> 78
Greenpeace	<input type="checkbox"/> 16	<input type="checkbox"/> 37	Surf Life Saving Foundation	<input type="checkbox"/> 58	<input type="checkbox"/> 79
Heart Foundation	<input type="checkbox"/> 17	<input type="checkbox"/> 38	The Lost Dogs' Home	<input type="checkbox"/> 59	<input type="checkbox"/> 80
Int. Fund for Animal Welfare (IFAW)	<input type="checkbox"/> 18	<input type="checkbox"/> 39	UNICEF	<input type="checkbox"/> 60	<input type="checkbox"/> 81
Leukaemia Foundation	<input type="checkbox"/> 19	<input type="checkbox"/> 40	Variety Australia	<input type="checkbox"/> 61	<input type="checkbox"/> 82
Médecins Sans Frontières Australia	<input type="checkbox"/> 20	<input type="checkbox"/> 41	Vision Australia	<input type="checkbox"/> 62	<input type="checkbox"/> 83
Mission Australia	<input type="checkbox"/> 21	<input type="checkbox"/> 42	WWF (World Wide Fund for Nature)	<input type="checkbox"/> 63	<input type="checkbox"/> 84

4. Would you consider leaving a legacy to a charity in your will?

You	<input type="checkbox"/> 01	<input type="checkbox"/> 02	Possibly	<input type="checkbox"/> 03	<input type="checkbox"/> 04	No	<input type="checkbox"/> 05	<input type="checkbox"/> 06
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8 General information

1. What is your month and year of birth?

You Partner

2. What is your highest level of education?

Secondary – some	<input type="checkbox"/> 01	<input type="checkbox"/> 04	University – undergraduate	<input type="checkbox"/> 07	<input type="checkbox"/> 10
Secondary – completed	<input type="checkbox"/> 02	<input type="checkbox"/> 05	University – postgraduate	<input type="checkbox"/> 08	<input type="checkbox"/> 11
TAFE	<input type="checkbox"/> 03	<input type="checkbox"/> 06	Other college	<input type="checkbox"/> 09	<input type="checkbox"/> 12

General information is brought to you by:



If you choose YES, some survey responses (including personal information) may also be provided to QOR to help them better understand market and consumer characteristics.

3. Would you like to join the QOR market research panel to participate in surveys by email, offer your opinions, earn rewards and help improve the products and services that you use?

Yes ☐ 01 No ☐ 02

4. Which of the following types of courses have you studied, are currently studying or intend to study (mark all that apply)?

	Have studied	Currently studying	Intend to study
	You <input type="checkbox"/> 01 Partner <input type="checkbox"/> 04	You <input type="checkbox"/> 07 Partner <input type="checkbox"/> 10	You <input type="checkbox"/> 13 Partner <input type="checkbox"/> 16
Leisure / relaxation	<input type="checkbox"/> 01 <input type="checkbox"/> 04	<input type="checkbox"/> 07 <input type="checkbox"/> 10	<input type="checkbox"/> 13 <input type="checkbox"/> 16
Self improvement	<input type="checkbox"/> 02 <input type="checkbox"/> 05	<input type="checkbox"/> 08 <input type="checkbox"/> 11	<input type="checkbox"/> 14 <input type="checkbox"/> 17
Work / career related	<input type="checkbox"/> 03 <input type="checkbox"/> 06	<input type="checkbox"/> 09 <input type="checkbox"/> 12	<input type="checkbox"/> 15 <input type="checkbox"/> 18

5. What is your household income?

Up to \$40,000	<input type="checkbox"/> 01	\$80,001–\$100,000	<input type="checkbox"/> 04	\$200,001–\$250,000	<input type="checkbox"/> 07
\$40,001–\$60,000	<input type="checkbox"/> 02	\$100,001–\$150,000	<input type="checkbox"/> 05	\$250,001 plus	<input type="checkbox"/> 08
\$60,001–\$80,000	<input type="checkbox"/> 03	\$150,001–\$200,000	<input type="checkbox"/> 06		

6. What is your personal income?

Up to \$40,000	<input type="checkbox"/> 01	<input type="checkbox"/> 05	\$100,001–\$150,000	<input type="checkbox"/> 09	<input type="checkbox"/> 13
\$40,001–\$60,000	<input type="checkbox"/> 02	<input type="checkbox"/> 06	\$150,001–\$200,000	<input type="checkbox"/> 10	<input type="checkbox"/> 14
\$60,001–\$80,000	<input type="checkbox"/> 03	<input type="checkbox"/> 07	\$200,001–\$250,000	<input type="checkbox"/> 11	<input type="checkbox"/> 15
\$80,001–\$100,000	<input type="checkbox"/> 04	<input type="checkbox"/> 08	\$250,001 plus	<input type="checkbox"/> 12	<input type="checkbox"/> 16

7. Would you consider InsuranceLine Income Protection to help protect your family and like someone from InsuranceLine to contact you?

Yes ☐ 01 No ☐ 02

8. Which of the following best describes your occupation?

Company director	<input type="checkbox"/> 01	<input type="checkbox"/> 10	Retired	<input type="checkbox"/> 19	<input type="checkbox"/> 26
Craftsman / tradesman	<input type="checkbox"/> 02	<input type="checkbox"/> 11	Self employed / business owner, run business from home	<input type="checkbox"/> 20	<input type="checkbox"/> 27
Domestic duties	<input type="checkbox"/> 03	<input type="checkbox"/> 12	Senior management	<input type="checkbox"/> 21	<input type="checkbox"/> 28
Education	<input type="checkbox"/> 04	<input type="checkbox"/> 13	Student	<input type="checkbox"/> 22	<input type="checkbox"/> 29
Government	<input type="checkbox"/> 05	<input type="checkbox"/> 14	Services (Police / Army etc.)	<input type="checkbox"/> 23	<input type="checkbox"/> 30
Manual / factory worker	<input type="checkbox"/> 06	<input type="checkbox"/> 15	Other	<input type="checkbox"/> 24	<input type="checkbox"/> 31
Medical	<input type="checkbox"/> 07	<input type="checkbox"/> 16	Not working	<input type="checkbox"/> 25	<input type="checkbox"/> 32
Office / clerical	<input type="checkbox"/> 08	<input type="checkbox"/> 17			
Professional	<input type="checkbox"/> 09	<input type="checkbox"/> 18			

9. Are you planning to change jobs in the next 12 months?

In 1–3 months	<input type="checkbox"/> 01	<input type="checkbox"/> 04
In 4–6 months	<input type="checkbox"/> 02	<input type="checkbox"/> 05
In 7–12 months	<input type="checkbox"/> 03	<input type="checkbox"/> 06

10. Would you consider starting a small business?

Yes	<input type="checkbox"/> 01	<input type="checkbox"/> 02	Possibly	<input type="checkbox"/> 03	<input type="checkbox"/> 04	No	<input type="checkbox"/> 05	<input type="checkbox"/> 06
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11. Which of the following best describes your employment arrangement?

Full time	<input type="checkbox"/> 01	<input type="checkbox"/> 03	Part time	<input type="checkbox"/> 05	<input type="checkbox"/> 07
Casual	<input type="checkbox"/> 02	<input type="checkbox"/> 04	Not working	<input type="checkbox"/> 06	<input type="checkbox"/> 08

12. What is the postcode of your place of work?

You Partner

13. How do you usually travel to work?

Bicycle	<input type="checkbox"/> 01	<input type="checkbox"/> 06	Train	<input type="checkbox"/> 11	<input type="checkbox"/> 15
Bus	<input type="checkbox"/> 02	<input type="checkbox"/> 07	Tram	<input type="checkbox"/> 12	<input type="checkbox"/> 16
Car	<input type="checkbox"/> 03	<input type="checkbox"/> 08	Walk	<input type="checkbox"/> 13	<input type="checkbox"/> 17
Ferry	<input type="checkbox"/> 04	<input type="checkbox"/> 09	Work from home	<input type="checkbox"/> 14	<input type="checkbox"/> 18
Motorbike/scooter	<input type="checkbox"/> 05	<input type="checkbox"/> 10			

*Competition prize draw terms and conditions for Australian Lifestyle Survey 32

1. Information on prizes and how to enter form part of these conditions of entry. 2. Entry is free and open to all residents of Australia 18 years of age and over. Employees, directors, managers, licensees and contractors of the Promoter, its related companies and their agencies (and families of each of these) associated with the survey are not eligible to enter. 3. Competition commences at 12am AEST on 18 February 2013. To be included in the major prize draw, send your survey to PO Box 1522 Glen Waverley VIC 3150 (a valid name and address must be provided to be eligible for the prize draw). You can also enter the draw by filling in the survey online at www.austrialifestylesurvey.com.au. Surveys must be received by 5pm AEST 30 August 2013. Only one entry is allowed per person. You cannot send or submit multiple entries into the draw by filling in both the mail and online version of the survey. 4. The Promoter will not be liable for lost, late or misdirected entries. Illegible, incomprehensible and incomplete entries will be deemed invalid. 5. Respondents who complete the survey online and refer a friend(s) and / or provide their partner information may be eligible for additional entries into the Major Prize Draw. The additional entries are only valid when you complete the survey online. Respondents who complete the paper survey will also receive five additional entries into the Major Prize Draw when you provide your email address on the paper survey. 6. The first randomly drawn valid entry will win a cheque for \$16,000. The second to the fifty first valid randomly drawn entries will each win a \$200 WISH Gift Card. 7. There are a total of 51 prizes to be won. Total Prize Value up to \$26,000. 8. The draw will be conducted at 12 noon AEST on 13 September 2013 at Salmat IDR - Level 2, 116 Miller Street, North Sydney NSW 2060. The winners will be notified within 2 days of the draw and will also be notified in writing. The major prize winner will be published in The Australian newspaper on 20 September 2013. 9. WISH Gift Cards can be used at participating Woolworths and Safeway Supermarkets, CALTEX WOOLWORTHS and CALTEX SAFEWAY co-branded outlets, HomeShop, BIG W, Masters Home Improvement, Dick Smith Electronics, Dick Smith PowerHouse, Tandy, Woolworths Liquor, BWS, or Dan Murphy's stores. Please see www.wishgiftcard.com.au for full use of the WISH Gift Card. 10. Prizes are not transferable or exchangeable and cannot be taken as cash unless otherwise stipulated. 11. The Promoter, its contractors, employees and agents, shall not be liable for any claims, losses, damages, injuries, costs and expenses suffered or incurred (including but not limited to indirect or consequential loss), arising out of or in any way connected with the competition and / or its prizes except for liability that cannot be excluded by law. The Promoter accepts no responsibility for any tax implications that may arise from the prize winnings. Independent financial advice should be sought. 12. The Promoter may conduct such further drawings as are necessary if the prizes remain unclaimed three months after the draw. If necessary a draw will be conducted at 12 noon AEST on 13 December 2013 at Salmat Digital - Level 2, 116 Miller Street, North Sydney NSW 2060. Subject to regulatory authority direction. Winners of this draw will be notified in writing. Should the major prize be included in the unclaimed prize draw, the major winner will be published in The Australian newspaper on 20 December 2013. 13. Entry into the competition shall be deemed acceptance of these conditions of entry and is deemed approval to use the winners' name(s) and photograph(s) for publicity purposes. The Promoter's decision is final and no correspondence will be entered into. All surveys received become the property of the Promoter. The Promoter may at its discretion refuse to award any prize to an entrant who fails to comply with these conditions. 14. Australia Postal Corporation, Salmat Digital Pty Limited and their associated agencies and companies assume no responsibility for any error, omission, interruption, deletion, defect, delay in operation or transmission, communications line failure, theft or destruction or unauthorised access to, or alteration of the competition. The Promoter is not responsible for any problems or technical malfunction of any telephone, network or lines, computer online systems, servers, or providers, computer equipment, software, technical problems or traffic congestions on the internet or at any website, or any combination thereof, including any injury or damage to entrant's or referee's or any other person's computer related to or resulting from participation in or downloading any materials in this competition. 15. The Promoter is the Australian Postal Corporation (ABN 28 864 970 579), trading as "Australia Post", Level 3 / 111 Bourke Street, Melbourne VIC 3000. Telephone 13 POST (13 7678). Authorised under permit numbers: NSW: LTPS/12/10835; ACT: TP 12/04891; VIC: 12/3294; SA: T12/2522. We collect your personal information for the purposes of this Australian Lifestyle Survey. Without this information, we are unable to process your entry. Your personal information may also be disclosed to third parties, as outlined in this Lifestyle Survey. Subject to some exceptions allowed by law, you may be able to request access to the personal information that we hold about you. We will assess your request in accordance with the law and tell you why if access is denied.



This survey is recyclable.



Paper manufactured and certified to the ISO 14001 Environmental Management System

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FOOTNOTES

¹ Winterberry Group is a strategic consulting firm that works with advertising, marketing, media and information organizations. Its annual outlook presentations can be found at www.winterberrygroup.com/ourinsights/cp.

² Egan, John. *Marketing Communications*. Sage Publications Ltd., 2nd edition, November 2014, 440 pages. Also author's own elaboration.

³ United States Postal Service. *Postal Facts 2014*. Consulted on 25 January 2015, at <https://about.usps.com/who-we-are/postal-facts/postalfacts2014.pdf>.

⁴ PricewaterhouseCoopers. *The Outlook for UK Mail Volumes to 2023*. Consulted on 26 January 2015, at [www.royalmailgroup.com/sites/default/files/The outlook for UK mail volumes to 2023.pdf](http://www.royalmailgroup.com/sites/default/files/The%20outlook%20for%20UK%20mail%20volumes%20to%202023.pdf).

⁵ Consulted on 26 January 2015, at about.usps.com/future-postal-service/bcg-detailedpresentation.pdf.

⁶ Consulted on 26 January 2015, at www.heritage.org/research/reports/2013/10/can-the-postal-service-have-a-future#_ftn27.

⁷ Same as footnote 4 above.

⁸ Groupe Special Mobile Association. "The Mobile Economy 2014" and "Smartphone Forecasts and Assumptions, 2007–2020". Consulted on 30 January 2015, at www.gsma.com/newsroom/press-release/smartphones-account-two-thirds-worlds-mobile-market-2020.

⁹ Dalberg Global Development Advisors. *Report on Support to SMEs in Developing Countries Through Financial Intermediaries*. November 2011.

¹⁰ The WEFA Group. *The Impact of Direct Marketing on the U.S. Economy*. Report commissioned by the Direct Marketing Association, 1995.

¹¹ Online behavioural targeting is the major reason that display advertising is experiencing a comeback in marketers' interest and investment, despite rather dismal results previously. When a consumer visits a website, such as an e-commerce site or indeed any other site that gathers data on visitors, and spends time studying a product, service or category, that site places a cookie on the person's browser that indicates potential interest in a purchase of that kind. Then, when the consumer logs on to another site, the ad network recognizes the cookie and serves a display ad that makes a (hopefully) attractive offer of the same product or service. Another term for this type of promotion is "interest-based advertising", because the consumer receives offers of the things that supposedly most interest him or her. Response and conversion for behavioural advertising have proven to be superior to normal display advertising. Many think that this may be the way of the future for online advertising. Time will tell.

¹² Consulted on 8 February 2015, at <https://www.forrester.com/US+Email+Marketing+Volume+Forecast+2008+To+2013/fulltext/-/E-RES43542>.

¹³ Previously cited, at www.winterberrygroup.com/ourinsights/cp.

¹⁴ Reachmail. "E-mail is officially middle-aged". Posted on 20 January 2015, at www.reachmail.net/blog/history-email.

¹⁵ Umber, Memuna. "E-mail Deliverability Best Practices", citing research by the Radicati Group in its *E-mail Statistics Report 2014–2017*, last consulted on 4 June 2015, at <https://winning.email/blog/email-deliverability-best-practices>.

¹⁶ Return Path. "Benchmark Report: Inbox Placement 2014". Last consulted on 7 February 2015, at landing.returnpath.com/deliverability-benchmark-2014.

¹⁷ Clutter is an advertising term used to signify the excessive number of communications stimuli (messages) to which a person is exposed on a daily basis. These communications – whether they come from marketing, news, social media or elsewhere – all compete for the person's attention, obliging him or her to consciously or subconsciously "pick and choose" which messages to notice and which to ignore. "Cutting through the clutter" is the marketer's objective: getting people to pay attention to the company's message despite the onslaught of competing communications.

¹⁸ Direct Marketing Association. *The 2012 Response Rate Report: Performance and Cost Metrics Across Direct Media*. June 2012.

¹⁹ FEDMA Blog: Chris Combemale, DMA UK. *It's All About Direct Mail and E-mail*. Available at 1to1.center/wp-content/uploads/2014/12/5-US-DMA.pdf.

²⁰ United States Postal Service. *The Household Diary Study: Mail Use & Attitudes in FY 2012*.

²¹ Winterberry Group. *2015 Annual Outlook*. Last consulted on 2 February 2015, at www.winterberrygroup.com/ourinsights/cp.

²² Experian Marketing Services. *The Digital Marketer 2013: Life is the Channel*. Last consulted on 23 February 2015, at www.experian.com/assets/marketing-services/reports/2013-digital-marketer-download.pdf?SP_MID=768&SP_RID=812481.

²³ See definition of "customer journey" in the glossary of this Guide.

²⁴ The author interviewed Daniel Soldán on 12 March 2015.

²⁵ Direct Marketing Association. *The 2012 Response Rate Report: Performance and Cost Metrics Across Direct Media*. June 2012.

²⁶ Marketing is a creative activity, so saying "always" is risky. Certainly there do exist cases of communications that are clearly direct marketing messages and that do not have a clear call to action and do not indicate a response vehicle. However, these are the exceptions to the rule.

²⁷ Direct Marketing Association. *The 2012 Response Rate Report: Performance and Cost Metrics Across Direct Media*. June 2012.

²⁸ This Guide covers mostly "outbound marketing", in which the marketer takes the initiative to reach out to the customer or prospect to interest him or her in the product or service. The other side of the coin is "inbound marketing", designed to draw the customer to the marketer through such techniques as:

- marketing public relations, as described by David Meerman Scott in *The New Rules of Marketing and PR: How to Use News Releases, Blogs, Podcasting, Viral Marketing and Online Media to Reach Buyers Directly*. Wiley, 4th edition, 19 June 2013;
- search engine optimization (SEO), to improve the visibility of a website in search engines' "natural" or "organic" – in other words, unpaid – results; and
- content marketing, in which the company provides useful information like white papers, research results and free publications to persuade prospects that it would be the best consultant or supplier.

Inbound marketing is basically outside the scope of this Guide, although sometimes it is difficult to draw the line between content and advertising: the intention of some, but not all, posts by a company on its Facebook page may be somewhere "in between". The world cannot be divided into precise "compartments" and, in the end, it is not really necessary to categorize absolutely all marketing actions between inbound and outbound. It is enough to know that the two concepts exist.

There are opportunities in advergaming (ads included in video games) and what is known as “native advertising” – the modern-day equivalent of the old advertorials, messages from marketers made to appear like part of the content of the web page. All these are important, but for the purpose of this Guide, we will group them together with marketing public relations and, therefore, not treat them in detail in the text.

²⁹ Ample information on the widest range of display ad formats can be found in the IAB Guidelines at www.iab.net/guidelines/508676/508767/displayguidelines.

³⁰ Winterberry Group. *Going Global: Programmatic Audience Development Around the World*. White paper, July 2014.

³¹ Clipperton Finance. Clipperton Ad-Tech White Paper. *Part I: Outlook on Online Display Advertising Trends*. September 2012.

³² The news feed is the page where Facebook presents to each user the posts published by his or her “friends”.

³³ The data in the charts is derived from the following sources and complemented by the author’s own experience of over 30 years as a direct marketer:

- Direct Marketing Association. *The 2012 Response Rate Report: Performance and Cost Metrics Across Direct Media*. June 2012.
- Brand Republic, at www.marketingmagazine.co.uk/article/172669/to-mount-drtv-advertising-campaign.
- Marin Software. Insight Series: *The Q4 2014 Performance Marketer’s Benchmark Report*. Available at www.marinsoftware.com/resources/whitepapers/the-q4-2014-performance-marketers-benchmark-report-vital-search-social-display-performance-data-by-device.

³⁴ Royal Mail Market Reach. *It’s all about mail and e-mail: working together to create greater 1 to 1 relationships with your customers*. Last consulted on 4 June 2015, at www.jem.co.uk/education-marketing-assets/royalmailmailandemailresearchreportmay2014.pdf.

³⁵ Exceptionally, some free samples can be included in newspapers and magazines, but this is less common. They can also be handed out in promotions in public places, but in this manner the reach will never even get close to that obtainable by direct mail.

³⁶ www.oralanswers.com/will-you-still-have-your-teeth-when-you-get-old, last consulted on 4 June 2015.

³⁷ United States Postal Service. *The Household Diary Study: Mail Use & Attitudes* in FY 2012.

³⁸ FEDMA blog: *Belgian Post. The Letterbox Consumer Survey*. Last consulted on 9 February 2015, at 1to1.center/wp-content/uploads/2014/12/1_LetterboxConsumerSurvey.pdf. Data from a TNS study conducted in 2014.

³⁹ directmarketing.thomsonlocal.com/News-Advice/Direct-Mail/

⁴⁰ This chart comes from a very interesting work that compiles many research studies on direct mail, was published by Royal Mail in early 2015. It is called *The Private Life of Mail*. It can be read and downloaded at mailmen.co.uk.

⁴¹ Among the studies that show that consumers prefer direct mail over e-mail: for the U.S. and Canada, Epsilon Targeting’s *The Formula For Success: Preference and Trust – Consumer Channel Preference Study*, December 2011; for the UK, the Royal Mail reports mentioned in footnotes 34 and 40; for Belgium, *The Letterbox Consumer Survey* cited in footnote 38, among others.

- ⁴² Schultz and his colleagues, as well as numerous other authors, have written many books since 1989 on integrated marketing communications. Perhaps the reader new to the concept would be best advised to consult the work by Don Schultz, Charles H. Patti and Philip J. Kitchen, entitled *The Evolution of Integrated Marketing Communications: The Customer-driven Marketplace*, Routledge, 1st edition, 5 July 2014.
- ⁴³ www.ipc.be/en/Reports%20library/Publications/IPCReports_Brochures/dm-guide2014
Various cross-channel marketing suggestions for Posts are included on pages 72-74 of this guide.
- ⁴⁴ Smith, Paul R., Chris Berry, Alan Pulford, et al. *Strategic Marketing Communications: New Ways to Build and Integrate Communications*. Kogan Page, 1999.
- ⁴⁵ Last consulted on 14 February 2015, at blogs.teradata.com/darryl-mcdonald/back-to-basics-the-definitions-of-data-driven-marketing-and-analytics.
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- ⁵⁷ Universal Postal Union. *Development Strategies for the Postal Sector: An Economic Perspective*. Eburon Academic Publishers, Delft, The Netherlands, 2014. Available at unstats.un.org/unsd/trade/events/2014/beijing/documents/postal/UPU - Trends Development Strategies For The Postal Sector.pdf.
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⁵⁹ Tuesta, David, et al. *Inclusión financiera y sus determinantes: el caso argentino*. BBVA Research, January 2015. Last consulted on 4 June 2015, at <www.bbvarsearch.com/publicaciones/inclusion-financiera-y-sus-determinantes-el-caso-argentino>.

⁶⁰ <venturebeat.com/2014/06/10/apple-is-building-a-massive-in-house-ad-agency-to-recapture-the-think-different-glory-days>

⁶¹ Brinker, Scott. "Marketing Technology Landscape Supergraphic (2015)". Consulted on 13 February 2015, at <chiefmartec.com/2015/01/marketing-technology-landscape-supergraphic-2015/>.

⁶² Miller, Jon, VP and co-founder of Marketo. "Rise of the Marketing Platform". Consulted on 10 January 2015, at <blog.marketo.com/2014/04/rise-of-the-marketing-platform.html>.

⁶³ Gardiner, Paul D. *Project Management: A Strategic Planning Approach*. Palgrave MacMillan, 2005, p. 151.

⁶⁴ The officer cited is Glenn Harrison, Senior Account Manager for Geospend, Australia Post's marketing analysis division. This and some of the other information on the Australia Lifestyle Survey come from the article "Get a Life. Lifestyle Surveys Come of Age in the Australian Market", written by Rowena Stretton and published in *Priority – The Australia Post Business Magazine*, Issue 11.

⁶⁵ The full text of this directive can be read at <eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:31995L0046>.

⁶⁶ Many countries have differing degrees of personal data protection in place, as seen in the map on <dlapiperdataprotection.com/#handbook/world-map-section>. However, as of January 2015, only the following countries were considered to have "an adequate level of protection" according to the European Commission: Andorra, Argentina, Canada, Switzerland, the Faroe Islands, Guernsey, Israel, Isle of Man, Jersey, New Zealand, the United States (safe harbour) and Uruguay. Source: <ec.europa.eu/justice/data-protection/document/international-transfers/adequacy/index_en.htm>.

⁶⁷ A good source for information on the European Union rules for opt-in and opt-out, for those Posts interested in benchmarking Europe on this, can be found at <www.fedma.org/index.php?id=28>.

⁶⁸ <ec.europa.eu/ipg/basics/legal/cookies/index_en.htm> – last consulted on 15 January 2015.

⁶⁹ Beales, J. Howard, and Jeffrey A. Eisenach. "An Empirical Analysis of the Value of Information Sharing in the Market for Online Content". January 2014, <www.aboutads.info/study-online-ad-value-spikes-when-data-used-boost-relevance>.

⁷⁰ <www.youradchoices.com/>

⁷¹ Interview with Lou Mastria, Executive Director of the Digital Advertising Alliance, on 23 February 2015.

⁷² From interactive studies of over 1,000 adults conducted in the U.S. in April 2013 and October 2014, <www.aboutads.info/resource/image/Poll/Zogby_DAA_Poll.pdf> and <www.digitaladvertisingalliance.org/content.aspx?page=ZogbyAnalytics-USMobilePoll-Oct14-FullResults>.

⁷³ <www.dmnews.com/were-all-links-in-the-chain-of-customer-trust/article/300210>

⁷⁴ Edwards, Rob. First presented at the Global Symposium on Self-Regulation of the Direct Marketing Industry, New Orleans, October 2004, and later updated in 2008.

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⁷⁷ U.S. Environmental Protection Agency. *Municipal Solid Waste Generation, Recycling, and Disposal in the United States: Tables and Figures for 2012*. Washington, DC. Available online at <www.epa.gov/solidwaste/nonhaz/municipal/pubs/2012_msw_dat_tbls.pdf>.

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- Warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea level. (p. 5)
- Most of the observed increase in global average temperatures since the mid-20th century is *very likely* due to the observed increase in anthropogenic greenhouse gas concentrations....Discernible human influences now extend to other aspects of climate, including ocean warming, continental-average temperatures, temperature extremes and wind patterns. (p. 10)
- The evidence now available...is based on analyses of widespread temperature increases throughout the climate system and changes in other climate variables. **Human-induced warming of the climate system is widespread.** Anthropogenic warming of the climate system can be detected in temperature observations taken at the surface, in the troposphere and in the oceans....It is *extremely unlikely* (<5%) that the global pattern of warming during the past half century can be explained without external forcing, and *very unlikely* that it is due to known natural external causes alone. (p. 665)

⁸⁰ In conducting research for this Guide, the author noted several attempts to estimate the carbon footprint of a "typical" direct mail piece and a "typical" commercial e-mail. The quotation marks underline the impossibility of generalizing these calculations, because they actually depend on many factors.

One source of estimations was the book by Mike Berners-Lee, entitled *How Bad are Bananas: The Carbon Footprint of Everything*, published in the UK by Profile Books in 2010. Berners-Lee estimates the carbon footprint of an e-mail at somewhere between 0.3 grams and over 50 grams of CO₂, depending on whether it was spam truncated at the ISP or filtered at the inbox, or whether it came with a long attachment that the recipient had to read – always provided that the reader does not print the e-mail! He claims that the footprint of direct mail can range from 140 grammes for a light piece printed on recycled paper and also recycled by the recipient, to 1,600 grammes for a catalogue that is not recycled later.

However, a study by Pitney Bowes (*The Environmental Impact of Mail: A Baseline*, at <<https://www.pb.com/docs/US/pdf/Our-Company/Corporate-Responsibility/The-Environmental-Impact-of-Mail-A-Baseline-White-Paper.pdf>>) places the distribution cost of a piece of direct mail at six times less than that estimated by Berners-Lee. Given that Pitney Bowes is more knowledgeable of the postal industry, the author of this Guide finds its calculation more credible.

Another source, Keith Messer of Data Services Inc., in "Comparing Direct Mail vs. E-mail Carbon Footprints" (<<https://www.linkedin.com/pulse/20140907231114-19675079-comparing-direct-vs-email-carbon-footprints>>), reaches the conclusion that the CO₂ emissions of an e-mail can run from 19 grammes to 44 grammes (if the reader prints it), whereas the footprint of a four-page direct mail letter would be 28 grammes. Messer's measurement of the postal distribution contribution to the direct mail carbon footprint was made in Argentina, a developing country.

The source cited in the text is a study presented by Gaëtan Darteville of the company Greenloop, and Jacques Bruyneel of bpost, the Belgian Post (available as of 23 February 2015 at <es.slideshare.net/DePostLaPoste/email-and-direct-mailing-co2-impact>). It should be mentioned that, in this study, the impact of postal distribution is lower than in the Pitney Bowes calculation for the U.S. and in Messer's for Argentina, surely because of the greater distances that mail has to be transported between cities in the latter two countries, as opposed to Belgium.

- ⁸¹ Readers who are interested in obtaining more detailed information on recommendations for making direct mail more environmentally friendly would do well to consult the following links: www.dmaresponsibility.org/Environment/ and www.dma.org.uk/Information/evn-Introduction.asp.
- ⁸² Information on John Hardy's pioneering sustainable advertising initiative can be found at https://www.youtube.com/watch?v=_qaZnWIVm78 and www.johnhardy.com/hand-crafted-luxury#sustainability.
- ⁸³ www.upu.int/fileadmin/documentsFiles/theUpu/strategy/strategyDohaEn.pdf
- ⁸⁴ www.digitalmarketing-glossary.com
- ⁸⁵ Definition used by the consultancy firm SAS, at www.sas.com/en_us/insights/marketing/marketing-analytics.html.
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