

Direct Marketing in the 21st Century

"The aim of marketing is to understand the customer so well that the product and service fit him & sells itself."

Peter Drucker 1997

Peter Drucker is right, but this is only half the story.

A second aim of Marketing is to ensure that the customer understands your products & services and know how they can meet his needs.

Historically, Direct Marketing has been a very one-way medium, ignoring the aim put forward by Peter Drucker, and paying only lip service to the second aim.

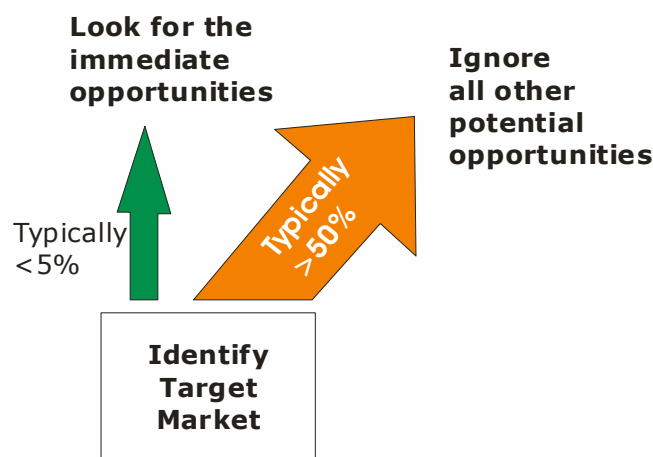


Fig 1: Traditional approach to Direct Marketing

This is typified by the traditional approach to telemarketing, which is all about getting through the numbers, measured by:

- Telephone pick ups
- Dial:Contact ratio
- Leads identified
- Etc

Usually, little value is placed on the contact who has the full potential to use your services but for whatever reason, is not in the market at present.

This approach ignores the fact that, in a relatively mature market (as many B2B markets are) at any one point in time most people will offer potential, but few will be "in the market" and actively looking for new suppliers.

If you accept this view of the marketplace, then the "one-off hit" approach is unlikely to be optimal.

So is there an alternative?

A much more sensible approach would be to pursue the aims set out earlier, and to:

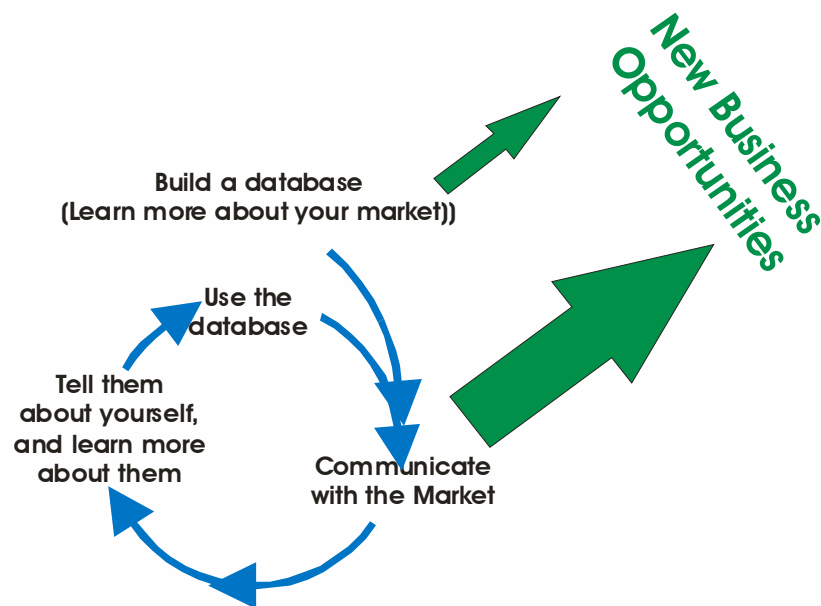
- Identify your market
- Learn what they want
- Show them how your products & services fit their needs
- Be there when **THEY** have a need.

Historically this approach has only really been open to those with big marketing budgets. Now, the tools offered by new communication technologies make this approach possible even on limited budget:

Telemarketing	To identify & learn about your market
Email	To deliver regular 2 way communication
Direct mail	To deliver high value, targeted messages, to demonstrate that prospects are important.

The enabler in this process is e-mail & the web, both of which offer a cost effective medium for delivering high quality messages to a highly targeted audience.

The direct marketing process therefore becomes:



Through this process, we fulfill the aims of marketing, and identify opportunities as and when they arise. Thus sales opportunities should arise with increasing frequency.

But what of measurement?

With the old approach, identifying metrics is relatively easy:

- How many people have I spoken to?
- Have I got any leads?
- Have I signed up any new clients?

All concrete, short term objectives, but more often than not, it just identifies that the process does not work, or at best, is plain hard work, and not sustainable in the long term.

This said, metrics are vital to the success of any initiative, and at the end of the day **"Have I signed up any new clients, and are these adding to the profitability of my business?"** is the only measure that really matters. But being realistic, this should be seen as a medium & long term goal in any marketing process. It is therefore vital to identify short term metrics which act as indicators as to the likelihood of achieving these longer term aims.

Here telemarketing & web marketing offer great opportunities for direct and meaningful feedback.

At the Database building phase we can measure:

- Are people in the market?
- Is there anything fundamental preventing them from doing business with us?
- Is the Database of potential prospects growing?

As we move to the communication phase, we can measure:

- Is the message getting through?
- Is it of interest to the target market?
- Is the message engaging the market?

All of these are indicators towards long term objectives. If positive they suggest an increased likelihood that you will be on the list of potential suppliers, as and when prospects have a need.

Marketing must be viewed as an investment, which is likely to take time to deliver sustainable results. However modern techniques mean it is realistic on a limited budget, and it is measurable in the short term.

In the 21st Century, sustainable Direct Marketing on a budget is a reality.