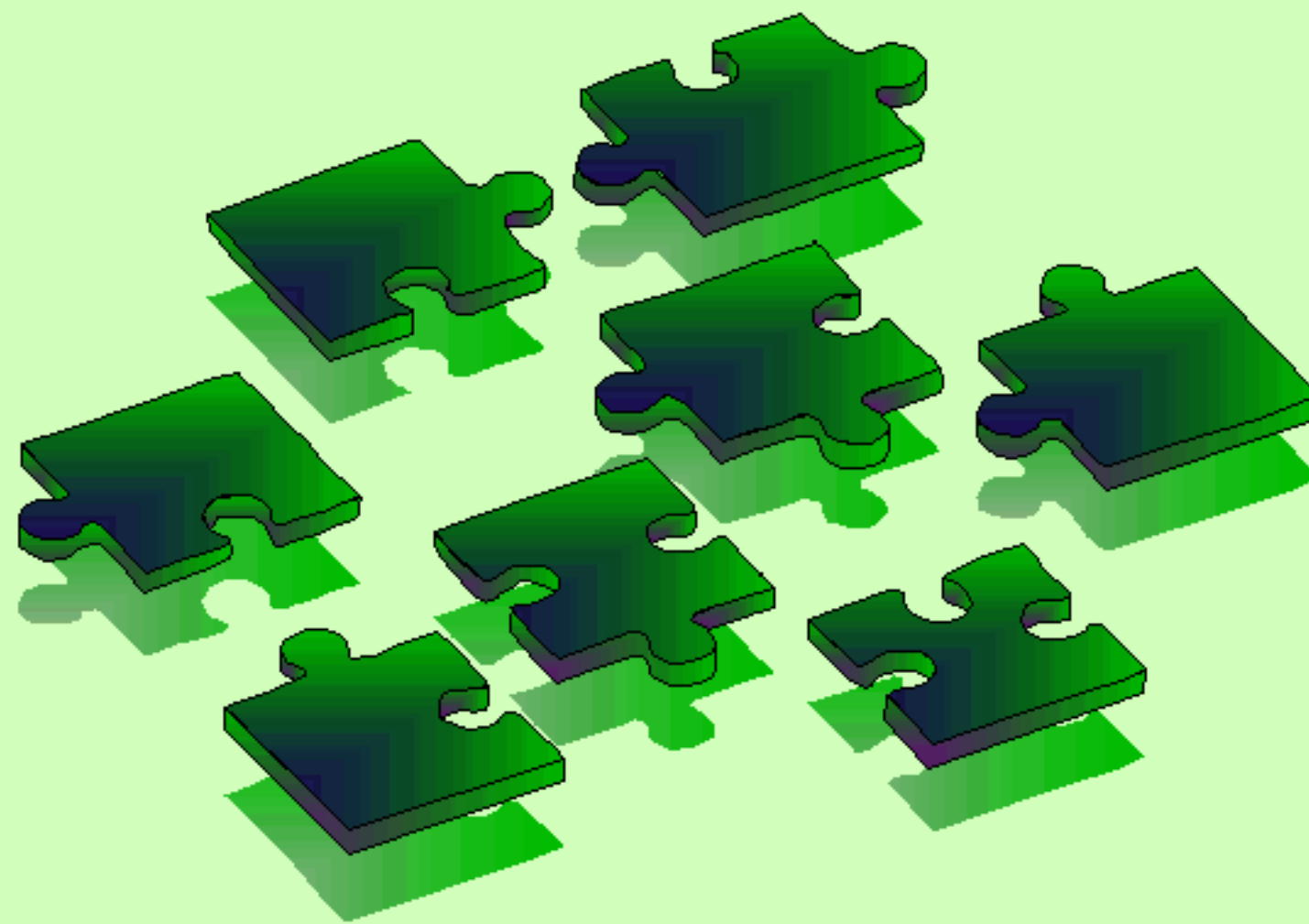


# Successful Marketing with the Right Media Mix



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**Altman Dedicated Direct**  
*STRATEGY... TACTICS... RESULTS*  
Shari Altman, President

**It's easy to get into  
a media and  
promotion "rut"**

# Stated Reasons for Not Diversifying Media

- ▶ "What we're doing is working, why change?" and "If it ain't broke don't fix it"
  - ◆ When current programs are working is the perfect time to test and learn something new
- ▶ "We tried alternative media before and it didn't work"
  - ◆ Re-look at what you tested previously and consider why it may not have worked, and what other approaches you can consider
- ▶ "Why add the risk of something new?"
  - ◆ Why not? It could add to sales, profits and learning for growing your business
- ▶ "It's too much work"
  - ◆ When current approaches begin to falter, you could be out of work

# Business benefits of using a variety of media

## *Three Types of Specific Benefits*

- ▶ Testing Benefits
- ▶ Diversification Benefits
- ▶ Sales and Customer File Growth Benefits

# Business benefits of using a variety of media

## ***Testing Benefits ...***

- ▶ Avoid alerting competition about new products and offers *(using "private" mediums)*
- ▶ Access to new market segments *(who favor different media)*
- ▶ Long versus short message *(to reach new audiences)*
- ▶ Less expensive media *(allowing more testing options)*
- ▶ Faster turnaround on test results *(utilize quick turnaround electronic media)*
- ▶ Use results learned from similar media and maximize likelihood of success *(package insert test results assist planning for statement stuffers)*
- ▶ Stronger reliability of test results from multiple media

# Business benefits of using a variety of media *(continued)*

## ***Diversification Benefits...***

- ▶ Lessen the negative sales impact of the external environment
  - ◆ Major events - both positive and negative events, anticipated and unanticipated, can impact media responsiveness and take prospect and customer attention away (major political campaigns, war, Olympics)
  - ◆ USPS problems - postal carrier dumping, Anthrax
- ▶ Challenges in media availability
  - ◆ Direct mail lists pulled off the market
  - ◆ Competitors buy long-term contracts with space, insert or cable media
- ▶ Cost Increases
  - ◆ Postage or Paper Increases
  - ◆ Broadening # TV stations reduces reach and raises costs

# Business benefits of using a variety of media *(continued)*

## ***Sales and Customer File Benefits...***

- ▶ Broaden customer acquisition to new prospects by tailoring offer for segments that favor other media channels or approaches (more impulsive, more active, etc.)
- ▶ Sell more to existing customers by gaining additional attention with variety of media and formats
- ▶ Sell more to existing customers being more accessible, and in so doing, be more available at the moment customer needs arise
- ▶ Allow customers to become familiar with additional mediums - different mediums may suit their purchasing during different times in their lives, or the customer's lifecycle with your business
- ▶ Sell a wider range of products and services by tailoring mediums to the product or service characteristics

# Media Diversification also helps you become an effective multi-channel marketer

***In a 1998 research study of 400 retailers, the Boston Consulting Group concluded:***

- ▶ Multi-channel marketers acquire customers more efficiently
- ▶ Multi-channel marketers convert one-time buyers to repeat buyers more successfully.



# Evaluating Media Choices

**Consider your product, offer, and prospect/ customer characteristics for these criteria:**

## *Printed vs Electronic*

- ▶ Acquisition vs Retention Focus
- ▶ Impulsive vs Considered Buying Decision
- ▶ Active vs Passive Media Interaction
- ▶ Short vs Long Planning and/or Response Cycle
- ▶ Multi-Product/Offer vs Single Product/Offer Focus
- ▶ Targeted vs Self-selection
- ▶ Public vs Private

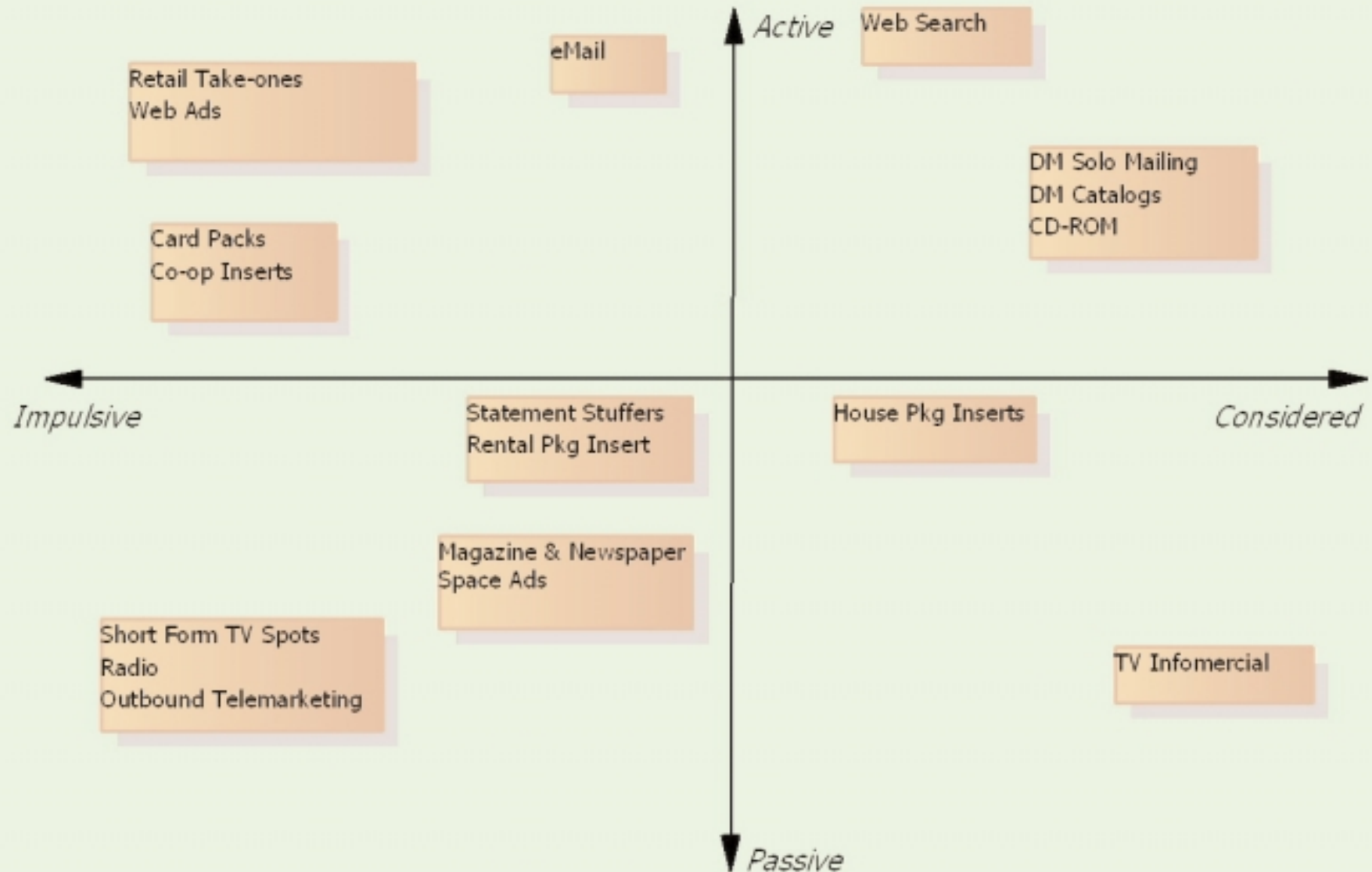
# Printed Media

	<i>Strengths</i>	<i>Weaknesses</i>	<i>Acquisition or Retention?</i>
<b>DM Solo Mailing</b>	Unlimited selling space, unlimited formats	Long planning cycle, costly, requires strong product and offer	Both
<b>DM Catalogs</b>	Welcome to consumers, offer broad product line	Longest planning cycle, costly, limited sell space for each item	Both but much stronger for retention
<b>Card Packs</b>	Unusual format, easy for consumers	Small sell space, mail response challenging	Both, but stronger for acquisition
<b>House Pkg Inserts</b>	Unlimited formats, no postage, "hot" customer	Requires strong product and offer	Retention - great for testing new products
<b>Rental Pkg Insert</b>	Inexpensive, "hot" prospect, targeted	Limited formats	Acquisition - great for testing new audiences
<b>Stmnt Stuffers</b>	Limited Competition, guaranteed attention	Limited formats	Acquisition
<b>Co-op Envelopes</b>	Some targeting, broad reach	Lots of competition for attention, limited formats	Acquisition
<b>Mag Space Ads</b>	Implied editorial endorsement, targeted	Limited sell space unless using expensive inserts	Acquisition - may help support mail to mag list
<b>Newspaper Ads</b>	Implied editorial endorsement, short cycle	Limited use of color, limited targeting	Acquisition
<b>Retail Take-Ones</b>	Inexpensive way to reach broad audience	Limited formats, larger tests than other inserts	Acquisition - best for recognizable brands

# Electronic Media

	<i>Strengths</i>	<i>Weaknesses</i>	<i>Acquisition or Retention?</i>
<b>eMail</b>	Short cycle, less formal, interactive	Limited access, consumer comfort w/eCommerce	Retention
<b>Web Search</b>	Pay for performance	Active mgmt required	Acquisition
<b>Web Ads</b>	Short cycle, targeted, negotiated rates	Limited sell space, landing page/site adds costs	Acquisition plus retention on own site
<b>Long Form TV Infomercial</b>	Long sell time, demonstration, fast response	Long planning cycle, expensive, A/B testing less reliable	Acquisition
<b>Short Form TV Spots</b>	Demonstration, large availability, fast response	Expensive, price point/payments below \$30	Acquisition
<b>Radio</b>	Inexpensive, short cycle, broad reach	Limited targeting, product must be easy to describe	Acquisition
<b>Outbound Telemarketing</b>	Pay for performance, short cycle, targeted, broad availability	Intrusive, product must be easy to describe	Retention
<b>CD-ROM</b>	Interactive, unlimited sell space	Expensive. Long planning cycle	Both

# Impulsive/Considered and Active/Passive Media Continuums



# Multi-Product/Offer vs Single Product/Offer

**Using Single Product/Offer mediums to acquire customers and Multi-Product/Offer mediums to retain customers can be a very effective strategy.**

## *Multi-Product/Offer*

- ▶ DM Catalog
- ▶ Card Pack
- ▶ House & Rented Pkg Inserts
- ▶ Web Search
- ▶ CD-ROM
- ▶ eMail

## *Single Product/Offer*

- ▶ DM Solo Mailing
- ▶ Infomercial
- ▶ TV Spots
- ▶ Radio
- ▶ Magazine Ads
- ▶ Newspaper Ads
- ▶ Co-op Envelope
- ▶ Retail Take-ones
- ▶ eMail
- ▶ House & Rented Pkg Inserts
- ▶ Stmt Stuffers
- ▶ Web Ads
- ▶ Web Search

# Targeted vs Self-selection Mediums

**Response rates are higher for targeted media, but costs per M are also higher. Not all markets and prospect can be reached by targeted mediums. Self-selection mediums have the broadest reach.**

## *Targeted*

- ▶ Direct Mailed Mediums
- ▶ eMail
- ▶ House & Rented Pkg Inserts
- ▶ Web Search
- ▶ Outbound telemarketing

## *Self-selection*

- ▶ TV Mediums
- ▶ Radio
- ▶ Space Mediums
- ▶ Co-op Inserts
- ▶ Retail Take-Ones
- ▶ Web Ads

# Public vs Private Mediums

**If you need to test without alerting competition or existing customer, or you want to utilize dry testing, you need to utilize private mediums.**

## Public

- ▶ TV Mediums
- ▶ Radio Mediums
- ▶ Space Mediums
- ▶ Retail Take-ones

## Private

- ▶ Mailed Mediums
- ▶ Web Mediums
- ▶ Telephone Medium

# Public vs Private Mediums

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## Private

- ▶ Mailed Mediums
- ▶ Web Mediums
- ▶ Telephone Medium



# Media Integration and the Myth of Cannibalization

Utilizing two mediums to reach the same audience in time proximity does not necessarily result in cannibalization of orders from one media to the next. In fact, they often complement and reinforce each other if timing is sufficiently close.

For example, the addition of outbound telemarketing or eMail with the *identical* offer to a direct mail only campaign will shift some direct mail response to telemarketing or eMail but, will ultimately increase sales results overall. The same is true for magazine space ads and direct mail to the magazine subscribers via solo mailings and catalogs.

Every offer is different in terms of the profit dynamics, but so long as the offers and message are consistent (don't confuse prospects or customers!), and the timing is not too far apart (resulting in no impact) the results should be better with two or more integrated mediums than each independently.

# Summary

- Broadening your media mix adds significant testing, diversification and sales benefits
- Determining which media to test and try should be based on evaluating your offer, audience, and products in light of the dynamics of each media:
  - Impulsive vs Considered Purchase
  - Active vs Passive
  - Multi-Product vs Single Product
  - Targeted or Self-selection
  - Private or Public
  - Short vs long planning or response cycle

# Summary *(continued)*

- Match the appropriate retention medium to the acquisition medium
- Track results and analyze not only individual promotions, but their impact on other media
- Through analysis of past campaigns, and management of implementation of future campaigns, strive to gain maximum benefit of integration among media

# Conclusion

1. If business is GOOD, this is the perfect time to test new media options, and gain new customers, market share and sales.
2. If business is SOFT, you need to test new media opportunities, because your existing methods are not delivering the results you seek.
3. If your business doesn't have a history of effective multi-channel marketing, begin with media diversification as a first critical step.
4. Don't let inertia or fear get in the way of trying a variety of media. Diversification of media is one of the best ways to reduce your business' risk.

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