

Direct Response: The Key to Effective Marketing - Part 2

How small businesses get the best results from Direct Response Marketing

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In Part I of *Direct Response: The Key to Effective Marketing*, I shared with you a common perspective that about 50% of the time, business advertising works (and 50% of the time it doesn't), but that it's difficult for business owners to know which 50% is which. We then compared three common approaches to marketing (image marketing, non-measurable marketing, and direct response marketing) as a means of understanding why this 50%/50% perspective persists and what you, as a small business owner, can do about it.

In this continuation of that article, we will look at specific examples of how Direct Response Marketing can be used in a variety of media; and I will share a client case study to demonstrate how creatively we helped one client use direct response marketing to drive business at an industry trade show.

Just to reiterate, there are **five key elements** that must be present to distinguish a Direct Response ad from the more passive types of advertising (image/institutional marketing and non-measurable response marketing).

- There must be a benefit-oriented headline.
- There must be a real marketing message involved.
- There must be an offer of some kind.
- There must be a sense of urgency or timeline/deadline to respond.
- There must be a response mechanism or instructions.

Examples of Direct Response Marketing (DRM) campaigns

To help you creatively brainstorm how you might leverage DRM in *your* business, let's look at some ways in which you might use direct response strategies. In every instance, the main difference between the direct response ad and the other types of ads are that there is an offer to which the customer must respond in a way that we can *track* and in a way where results can be *measured*. (And remember that each ad must include all five of the key elements of the direct response approach.)

Print Media (Newspapers, Magazines)

With print media, the ad itself becomes the response mechanism. The customer can clip and bring in the ad to get the special offer. There could be a coupon for a specific item or service offered at a discount. You could even list a phone number with a special code to be used when they call in: "mention this code when you call to get an additional 5% off".

Direct Mail

Direct mail includes coupon value packs, catalogs, post cards, letters and flyers. The mailer might include: coupons to be redeemed at the store, an invitation to a private after-hours sale where you have to bring in the invitation, a 2-for-1 dinner special or a discount on a gym membership. Catalog businesses can put a special code on every catalog and ask the customer to provide the code when they place an order, to track effectiveness of every mailing.

Radio and TV Commercials

To turn your usual radio and TV ads into direct response ads, ask the customer to mention the station's call letters to take advantage of your advertised offer, or provide a special code or telephone number they can use when they call.

Yellow Pages Ads

Ever see a yellow pages ad where the ad says “mention this ad and get \$25 off your first purchase” or something similar? How about offering a free report in your yellow page ad? We helped one client, a promotional products company, do this with great success: “Do not spend a dime on promotional products until you get our free report... Call today for your free copy!” Anyone who calls for this free report, the company knows has called because they read the yellow pages ad.

Internet Advertising

The Internet presents a whole new area of direct response marketing opportunities. On your web site: “sign up for this mailing list and get a free report”. If you are using click-through banner ads or pay-per-click ads, make sure there is a way you can track and measure results from each ad so you know where your web site traffic and on-line sales are coming from.

If you are using several different types of direct response ads (two different print ads plus a direct mail flyer, for instance), put a unique identifying code on each one so you can distinguish between them when the customers respond, and find out which are having the most impact.

In everything you do with your marketing and advertising, you can ask for some kind of response from the customer. When you get the response, you have the ability to measure and track effectiveness of each ad and can determine if you are spending your marketing dollars wisely. Ask yourself: with this ad, can I measure the results? Does it have all of the five elements that make this a direct response ad? As you develop your advertising, keep coming back to the five points as your guide.

A Case Study: Direct Response Marketing in Action

Once you begin to see all your advertising efforts in terms of direct response marketing, any communications with your customer base can be done with an eye toward direct response as a

measurement tool. We helped one of our clients turn a trade show “visit our booth” invitation into a direct response opportunity.

The client, a building industry company that manufactures doors, went to a national trade show. Using their database of clients and prospective clients, we sent out a mailing in advance of the show to entice people to visit the client’s booth. Now, the usual such mailing most companies send out would be a postcard or a flyer with a brief invitation to “visit us at booth #123, and we hope to see you there.”

We wanted this client to turn this trade show into a powerful and measurable marketing opportunity. We turned the usual invitation into a 2-page sales letter that incorporated all of the five elements of direct response marketing.

The *benefit-oriented headline* was: “Visit our booth and we’ll show you how to save thousands of dollars on value added services for the finest crafted wood doors available!” The *marketing message* was woven all throughout the letter, and included some of the company’s history as fine craftsmen of wood doors and feedback from happy customers.

The specific *offer, timeline, and response mechanism* was: “Visit our booth, present this letter, and meet with one of our representatives. If that discussion results in the eventual order of 20 doors or more within 90 days of the show, we will give you 50% off the pre-finishing of your initial order.”

With this letter in hand, interested customers were able to stop at the booth to find out more about this company’s products. The company was able to track how many potential customers visited their booth for a conversation with a sales rep, and from there, could track which of them brought along the sales letter and which of those conversations progressed into an actual sale. The company could measure, to the dollar, how much they spent on the entire campaign and whether or not it was successful in relation to the sales that resulted. They were able to make decisions about future marketing efforts and whether it would be worth attending this particular trade show next year.

The consistent value of Direct Response Marketing

When you have this kind of specific information available to you, it's easy to see how valuable it is in managing your entire marketing and advertising strategy. Instead of constant "hit or miss" experimentation in your advertising strategy, you can determine which ads are performing well, which elements can be tested and improved, and which media venues truly help you attract the most sales. You can direct your marketing budget to the activities where you know, *for certain*, that you are getting the most value for your dollars. If one ad or media venue doesn't seem to be performing well, you can make adjustments to the ad message or even decide to cease future such advertising altogether, and channel that money into the marketing efforts that *work*.

As I said earlier, the image marketing approach definitely has its place. The issue is that small business owners cannot afford to waste money on non-measurable implementation. Yes, go ahead and buy the ad, but make it measurable. I would rather see marketing dollars spent where results can be accurately measured and where tests can be conducted to help further refine and improve the response levels of future marketing investments. To do this, Direct Response Marketing is the key to success.

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