

CONSUMER INTELLIGENCE GROUP PRESENTS

# 20 DIRECT MARKETING TIPS

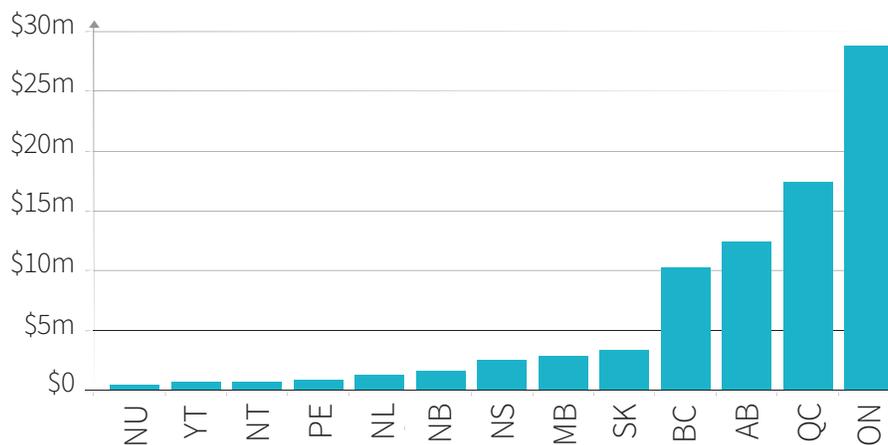
How to Make Your Holiday  
Campaign a Success



# 'TIS THE SEASON TO SPEND

**H**oliday spending has been increasing each year, making the holiday season the most important shopping period in Canada.

- Retail holiday sales totalled \$81.1 billion in 2013 (\$40.9B in Nov. and \$40.2B in Dec.).
- November and December accounted for 17% of the annual sales in 2013.
- Holiday spending is growing - In 2013, Canadians expected to spend an average of \$1,810 during the holiday season (up 12% from 2012 and 30% in 2011).
- December 23<sup>rd</sup> was the busiest shopping day of 2013.



**HOLIDAY SALES BY PROVINCE**

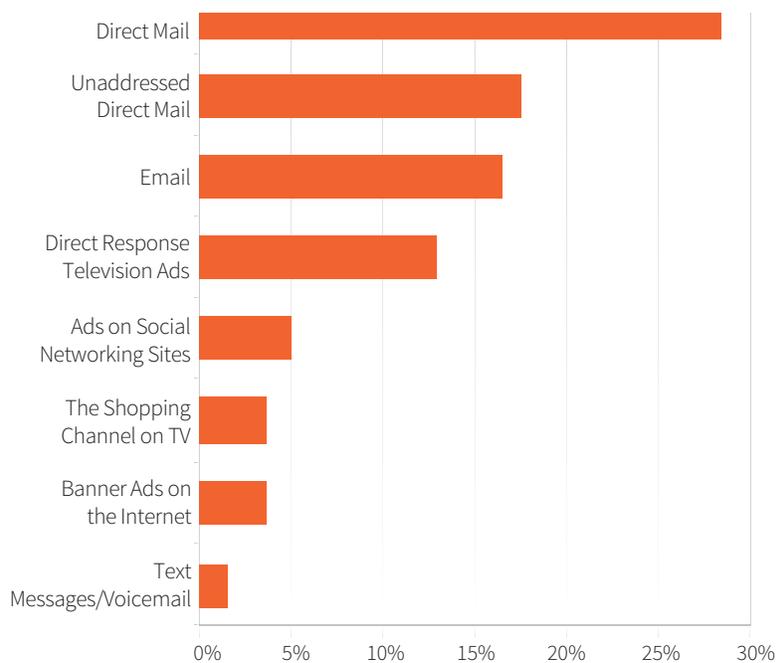
While the holidays may seem like a long way off, it's time to get in on the action and start planning your marketing campaigns today.

**So, put down the jack-o-lanterns and candy corn and start thinking about tinsel and mistletoe.**

# WHY DIRECT MARKETING IS GOOD FOR THE HOLIDAY SOUL

**G**reat! You've put away the pumpkins and are planning your holiday campaign. Still not sure how direct fits in the mix, or your boss needs a little convincing? Here are some tidbits to persuade you.

- More consumers pay attention to direct mail and email over other kinds of direct response marketing such as text messages and DR television ads.
- Addressed/unaddressed direct mail is the most effective direct marketing method.
- Consumer attention to email has tripled since 2009.
- Email marketing is perceived to have the strongest ROI.
- Direct mail offers response rates of 1.1 - 1.4%, which is higher than email (0.03%), display ads (0.04%) and paid search, combined!



## DIRECT MARKETING MEDIA MOST PAID ATTENTION TO

Now that you're convinced direct marketing is the way to go – where do you start?

**Here's 20 tips to put a little holiday magic in your direct marketing this year.**

# WINTER IS COMING

## Tips for Planning Your Campaign

### 1 THE HOLIDAYS COME BUT ONCE A YEAR

Make it count and start planning now. According to Experian, 18% of marketers started planning in June and by August, the majority (69%) have their creative in hand. With Autumn in full swing, make sure your campaign plans are ready to go.

### 2 WHEN TO LAUNCH

41% of Canadians start shopping in November, while 33% are already well on their way to checking off their lists by then. For marketers, the most popular time to launch is the first 15 days of November (**after Halloween, but before the U.S. Thanksgiving**).

# HERE COMES SANTA CLAUS?

## Tips for Targeting Your Customers

### 3 FOCUS ON RETENTION, NOT ACQUISITION

All good marketers know 80% of your profits come from 20% of your existing customers. And yet, 44% of companies focus on acquisition over retention. Try focusing on retaining current customers instead. Need a little more encouragement?

- Increasing customer retention rates by 5% increases profits by 25% - 95%.
- The probability of converting an existing customer is 60% - 70%.
- The probability of converting a new prospect is only 5% - 20%.
- Repeat customers spend 33% more than new customers.

### 4 KNOW YOUR TARGET MARKET

The more you know, the better the results. Where do they live? What brands do they prefer? What are their hobbies? Fill in the missing gaps by running a customer profile with CiG.

Find out what your customers **really** look like. Not what you **think** they look like.

### 5 INCORPORATE YOUR DATA

Use the data you already have – existing customer information, transactional data, purchase data, etc. Then combine it with 3<sup>rd</sup> party data to fill in your data gaps.

Nearly 60% of CMOs admitted they've fallen short in their usage of analytics to capture customer insights. **Don't be one of them.**

### 6 SEGMENT YOUR CUSTOMERS

There is no single customer for your products. Your customers have different interests, hobbies, spending patterns, locations, incomes, etc.

Email service provider MailChimp found that email campaigns that segmented their lists had a 14% better open rate and 14% better click-through-rate than those that didn't.

# DECK THE HALLS

Tips for Getting Your Message Out

## 7 SEGMENT YOUR OFFER

There is no single offer for your customers. Offers should vary based on age, interests, timing, purchase motivations, etc.

If you're selling pet food, don't offer the cat owners a discount on dog food. **Make the offer tailored to the individual.**

## 8 MAKE IT PERSONALIZED

A report from SAS Canada claims that 60% of Canadians say they want to receive personalized marketing offers and deals.

Half of Canadians say they are more likely to buy from a company that personalizes their marketing. Personalizing your direct marketing will have a positive effect on both response rates and ROI.

## 9 MAKE IT PERSONAL

Personal and personalized are **NOT** the same thing. Personalized means including the recipient's name.

Personal means the copy, images, offer, etc. are personally relevant.

70% of marketers are focused on ensuring their campaign creative resonates with their target market. First, you need to understand your target.

## 10 TRY VARIABLE PRINTING

Use variable printing to effectively segment your offer and make it personal.

By changing elements from piece to piece (i.e.

name, offer, images) variable printing allows you to customize each piece of mail for more complex personalization.

Now you can have one campaign for discounted pet food, but customize a piece for cat owners, dog owners, reindeer owners, etc.

# UP ON THE HOUSE TOP

Tips for Choosing the Right Channel

## 11 CHOOSE THE RIGHT CHANNEL

Just as important as finding your target market is choosing the right channel to reach them – direct mail, email, telemarketing, SMS – based on factors like budget, ROI, audience and offer.

For example, do you send via direct mail or email?

- Direct mail has a better response rate than email (1.4% vs. 0.03%),
- **But direct mail costs about 100x more.**

Do you opt for increased expense, but better response rate? Or, cheaper campaign with fewer responses? Or a combination of both based on audience preferences?

## 12 PRINT STANDS OUT

With more companies focusing on digital communications the digital space is becoming cluttered. This means **good direct mail stands out.**

With so many companies competing for consumer attention online it's hard to stand out from the crowd. Stand out with direct mail.

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## GO MULTI-CHANNEL

Don't put all your eggs in one basket. Send a DM piece and follow up with telemarketing.

Send an email and follow up with DM. Your customers use more than one channel to receive offers – why wouldn't you use more to send them?

**HE'S MAKING A LIST...**  
 Tips for Planning Your Campaign

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## CHOOSE THE RIGHT LIST

The most successful direct marketing campaigns start with a good list. There are two

kinds of 3<sup>rd</sup> party lists available – compiled lists and vertical lists.

**Compiled lists** have been compiled from national public databases with sub-categories (i.e. parents, new mover, etc.) used for targeting. As a high volume list they are best for mass mailing campaigns.

**Vertical lists** are comprised of people who have purchased or inquired about a product/service from a company (i.e. magazine subscribers, memberships, catalogs, etc.). These are great for highly targeted campaigns, but cost more than compiled lists.

Your campaign and budget will help you determine which is best for your campaign

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## INCLUDE YOUR HOUSE LIST

Renting lists is great for acquisition campaigns, but your

best list is likely your internal list of customers. And the best part? You already own the data.

According to the DMA, house lists have a better response rate than prospect lists in both direct

mail and email campaigns. Look to your existing customers first.

	House Lists Response Rate	Prospect Lists Response Rate
Direct Mail	3.95%	1.44%
Email	22.05%	11.43%

Source: DMA Response Rates Report 2012

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## CLEAN YOUR HOUSE LISTS

Bad data costs businesses **\$600 billion** annually. Before you start mailing or emailing your

customers, ensure you have the most accurate data.

Give your internal list a thorough clean to remove bad records, incorrect information and update contact information.

**LET IT SNOW**  
 Tips to Make it Work

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## EMAIL WORKS

Email marketing is a great way to reach your target customers during the holidays. 41% of

consumers say email marketing messages have more impact on holiday purchases than regular promotional emails.

Here are a few extra tips for your holiday email plans:

- The conversion rate for emails mentioning free shipping was 72% higher than those that did not.
- Emails offering free shipping had a 53% higher revenue per email.
- 20% of consumers cite subject line as the main reason they read the email.

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## BUT DIRECT MAIL STILL WORKS TOO

We already know that direct mail has a higher response rate than other forms of direct marketing. But, even better for mailers, **65% of consumers of all ages have made a purchase as a result of direct mail.**

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## KEEP THE MESSAGE GOING

Don't be a one hit wonder. Make sure to include multiple touch points in your holiday campaigns including pre- and post-holiday marketing tactics.

You've heard it before, if at first you don't succeed...try again!

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## TRY SOMETHING NEW

Don't get trapped doing the same old thing year after year. You'll never know if something new works unless you try it.

Grace Hopper said it best **"The most dangerous phrase in the language is, 'We've always done it this way.'"**

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## BONUS: CALL CIG

Contact us today, we can help you with:

- Enhancing your profiling and targeting
- Choosing the right direct channel(s)
- Finding and using the right list(s)

Making the 2014 holiday season a marketing success.

**CONTACT US**

# SOURCES

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# HAPPY HOLIDAYS





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