

essentia®

Direct Marketing

Are you using your database to mine the full potential of your customer relationships?

“Direct marketing leads you to “gems” in your data treasure trove that you can market to. Helping you create awareness, generate interest, leads and enquiries, migrating your best customers to loyal customers, retaining them over a lifetime and reducing the rate of attrition, it is a methodical and measurable approach to marketing your products and services...”

Today, more marketers are seeking to mine their database to unlock the potential of their customer relationships through direct marketing. Through data mining they will gain a better insight, engage more fully with their customers, provide better service and present more relevant product and promotional opportunities. Basically give them what they seek, more direct and personalised information.

Whether you have a clear marketing strategy, the software and customer data to put that strategy to work, or you're just starting to explore database marketing opportunities and its potential, we can help you get the best return on your data investment.

Customer data management should not be software driven, but rather marketing driven. It requires creative thinking as well as technical prowess to integrate, organise, analyse, mine, interpret and update data from multiple sources. More importantly it's about how you use the data. With the skill and relentless attention to detail, you can avoid common pitfalls and start to build your customer relationships as a strategic marketing and business asset.

'Direct marketing' is not junk mail nor is it just about sending a few letters. It's about taking a coordinated marketing approach to your database. It's looking at the discipline of how to create awareness and impact, generate interest, leads and enquiries, how to migrate your best customers to loyal customers and retain your loyal customers, and its about reducing the rate of attrition. Naturally this involves building and maintaining a database, and marketing to your customers and prospects according to a planned strategy.

We work with you to identify, qualify, target, and reach your specific prospects and customers in the most cost-efficient ways possible. Yes, anyone can put an envelope into the mail or write a direct response ad. But if the direct marketing communication piece is thrown out even before it is read, then your cost per response will be high and you won't achieve the response you're looking for. That's when the data is not working for you.

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At **essentia**[®], your direct marketing communications are crafted by creative and strategic marketers experienced in direct marketing. We put the right words in front of the right eyeballs. We get the right message into the right hands that ultimately make the purchase.

Using multiple disciplines, marketing online and offline, we devise integrated approaches to communicate, capture data and develop your database in a systematic, logical and coordinated manner. In addition to generating leads, this allows you to measure, analyse and fine tune your next move based on refined knowledge gained from your previous campaign.

The Brutal Fact About Lead Generation Today:

Too few resources are dedicated to “front end” lead generation—on average, sales teams spend less than 15% of sales time on lead generation.

This suggests that focus on the lead generation process is a great place to generate new growth.

Lead Generation

Direct marketing is particularly useful in generating leads or prospects who are interested in your products or services. We develop lead generation strategies to build a prospect list which can then be qualified into warm or hot leads for your sales team to follow up.

Quality sales leads allow you to market to highly targeted prospects which have already shown an interest in the product or service that you are marketing. We work with you to establish your database and market to them in a planned approach.

Strategies to help the Lead Generation Process

Smart marketers are focusing their efforts on the “front end” of the sales and marketing process. Here are ways to help you mobilise the lead generation process in your organisation:

1. Use the appropriate medium to generate leads.

Smart marketers are learning to use the right medium to generate sales leads appropriate for their type of products or services. Many organisations allocate resources to inappropriate channels or using mediums that are not cost effective for their type of offering. Direct marketing is particularly useful for specific types of products, markets and for growing customer bases and profitable customers. Are you using the right marketing medium?

2. Measure your effectiveness.

Measuring your effectiveness at creating demand can help to fine tune the process. Industry leaders are improving lead-generation performance by tackling the basic problems of improving accountability, getting proper attribution and benchmarking their performance. Lead generation through direct marketing is highly measurable for effectiveness.

Tips for Lead Generation

- Identify your target market
- Cut through the clutter
- Provide an offer
- Create urgency
- Qualify your leads
- Choose an angle
- Choose your message
- Prove you're credible
- Make it easy to respond

When it comes to building loyalty...

“...customer retention strategies need to be centred around the most profitable existing customer segments, not the entire database. Focussing on the most valuable and highest potential growth customers will have the largest impact on the company's bottom line, where you can cross-sell and up-sell.”

3. Use timing to improve targeting.

Marketers are finding that they can get far more revenue from a dollar invested in getting the timing right than they can on a dollar invested in targeting the right person to sell to. Marketers who understand that “timing is targeting” are improving marketing performance as much as ten-fold by improving the timing of their marketing programs, investing in event-triggered and real-time direct marketing programs that are better timed and more relevant than traditional marketing campaigns.

4. Feed your sales force with quality leads.

Many marketers are redirecting their marketing resources into integrated direct marketing campaigns that deliver better leads and low-cost support to field sales, retail and agent networks for follow up with a face to face meeting to close the sale.

5. Look for growth in the “gaps.”

Look for growth in the gaps or unexploited opportunities, where customers shop, but where existing media, channels and promotions cannot reach and direct marketing can penetrate.

6. Use more digital direct marketing.

Best-in-class marketers are increasingly looking to direct and digital marketing programs to accelerate customer acquisition at lower cost. Many organisations are finding that digital media and promotions can increase revenue at lower cost because they can reach markets in many new ways that traditional mediums cannot.

Customer Retention

Developing a customer retention strategy is one way to keep existing customers content and your new customers coming back for more. In the battle to gain new customers, it is easy to overlook the value existing relationships hold. Every customer relationship is an asset and has an economic lifetime value which is determined by taking the average transaction value multiplied by the number of times that customers will transact with the company over a period of time. Devoting all your energies to finding new customers is to some extent at the expense of existing customers. It takes more effort to gain new relationships than maintain existing ones.

Mass marketing strategies are useful for positioning and building brand awareness. However, when it comes to building loyalty, customer retention, strategies need to be centred around the most profitable customer segments, not the entire database. Focussing on the highest

Key components of successful relationship marketing:

- 1 Personalised
- 2 Targeted
- 3 Relevant or meaningful
- 4 Engaging or interactive

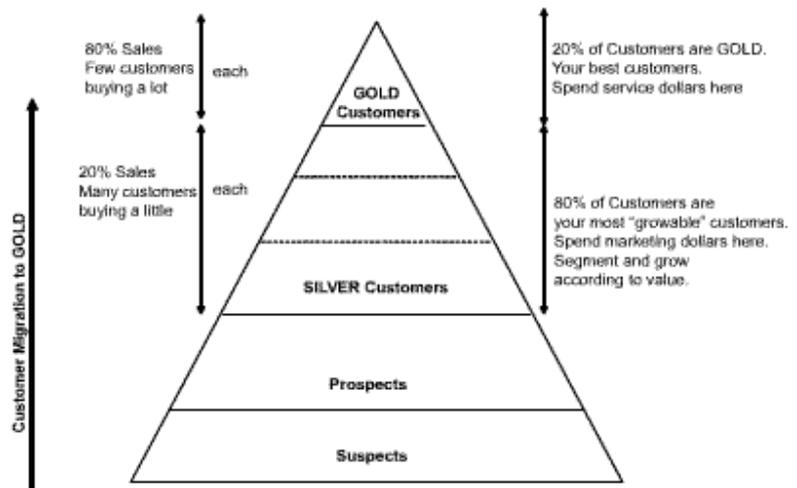
potential growth customers will have the largest impact on the company's bottom line, where you can cross-sell and up-sell.

Customer Lifetime Value represents the net present value of the profit to be realised on the average new customer during a given number of years. It can be used as a yardstick of performance by measuring cost per sale, rate of customer retention or conversion of prospects. It can provide a good guide to profitable strategy.

Ask your customers to give you data, and build a database complete with purchase history by keeping track of their spending. Then use the data to segment your customers by their profitability. This is what you are likely to find:

DATA MANAGEMENT CYCLE

DEFINE	Analyse Data Assess Needs Develop Strategy
EXECUTE	Gather Requirements Evaluate Techniques and Tools Coordinate Campaign Logistics Deploy Approach and Tools
REVIEW	Collect Data Create Intelligence and Mine data Review and Analyse Fine tune strategy for next cycle



You will find the top 20% of your customers give you 80% of your profit. You will also find that marketing heavily to your Gold customers is not as profitable as they are already giving you all their business. They are "maxed out." What should you do for them? Continue to make them feel "special". Give them special services and attention which only they receive so as to retain them. On the other hand, focussing on your Silver customers, who are just below Gold can grow this demographic into your highest potential customers. They can move your sales up by leaps and bounds. They have the ability to move up to Gold, if you encourage them.

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To learn more: Call 03 9918 4200 or email info@essentia.com.au