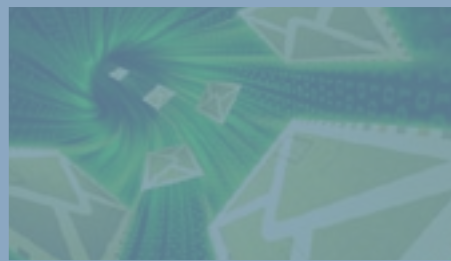


Direct Marketing Trends for 2010

Building on Efficient Strategies



Introduction

It's 2010, and marketing departments everywhere are planning out their strategies for the year ahead. 2009 was a tough year for many companies, who were forced to make do with smaller budgets. However, sometimes reduced direct marketing budgets result in greater efficiencies. Many of the predicted trends for direct marketing in 2010 build on the efficiencies, experiences, and best practices of 2009.

This paper provides some insight into some trends that are expected in direct marketing for 2010, including specific trends related to lists, direct mail, and email marketing, based on the predictions of direct marketing industry experts.

Trends in List Marketing

Direct marketing resources are pushing several new trends in 2010. These trends focus on taking advantage of data and efficiencies to get a better ROI on direct marketing activities, whether it's direct mail or email.

More Robust List Content

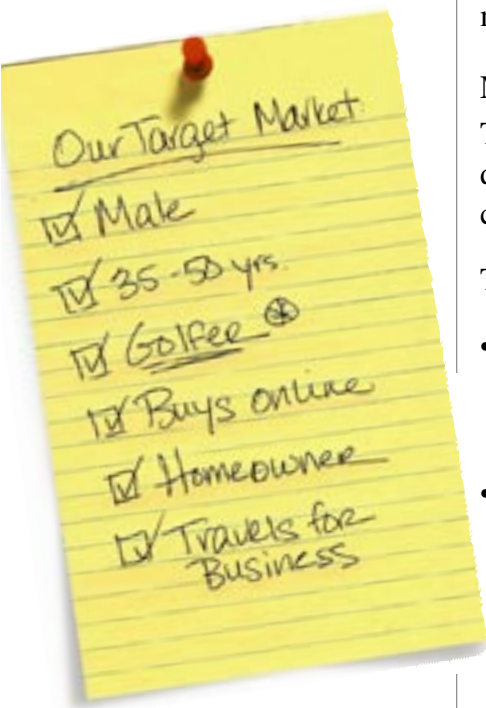
The success of the marketing efforts of any company is directly related to the quality of their lists. By knowing as much as possible about their leads, companies can tailor their efforts to provide the highest probability of turning a lead into a sale.

There are two major trends in list-based marketing that will grow in 2010:

- *Increased Detail in List Content* – Companies will be looking for data beyond gender, age, and contact information. New data fields such as marital status, hobbies, past purchases, and ethnic information will be included in lists in 2010.¹
- *Using Detailed Lists to Perform Targeted Campaigns* – Companies will take the increased detail found in marketing lists and use the data to create more targeted marketing campaigns. These campaigns will focus on specific demographics or other factors, rather than blanketing the whole list with the same marketing campaign. A report by the Winterberry Group reported that the “organizations struggling hardest are those that have depended most heavily on batch blast style mailings that use the mail as a saturation tool with little or no regard for rich personalization or the particular needs of the individual recipient.” For example, leads above a certain income level may see one approach, while leads under that income level may see a different approach.²

¹ <http://www.dmnews.com/online-data-will-explode-due-to-robust-targeting/article/160777/>

² Thought Leadership Series, DMA 09, Winterberry Group, October 2009; Top 5 Direct Mailing List Trends for 2010, USADATA, December 2009





Rebound in List Marketing

According to DMNews, list marketing saw a downturn in 2009 as companies reduced the number and scope of their mailings. In turn, businesses were renting fewer lists. Even though email marketing is continuing to grow, marketers still see value in direct mail marketing and list marketing. As companies look to integrate email and direct mail, they will be looking to rent lists that provide multiple modes of contact, such as a mailing address plus an email address or a phone number.

In addition, companies will take advantage of the content of more detailed lists to perform targeted mail campaigns to specific demographics within the list. According to Jay Schwedelson, corporate VP at Worldata, “Instead of mailing 100,000 names, they’ll mail the top 5,000 or 2,000 highest-performing customers.”³

Trends in Direct Mail Marketing

Although direct mail volume has shrunk in recent years, new technology and tactics will allow direct mail to experience a bit of a rebound in 2010.

Improved Print and Production

According to DMNews, the shift from analog to digital printing methods has dramatically changed the printing and production of direct mail campaigns. Digital technologies provide greater flexibility to companies in terms of designing marketing pieces and faster turnaround in printing.⁴

In addition, digital printing methods result in less waste and reduced inventory, both of which save the company money and help the company embrace “green” concepts.

Combination of Direct Mail and Web-Based Campaigns

2009 saw a boom in the use of web-based campaigns, and the trend will continue in 2010 with the integration of direct mail and these web-based methods. Customers will receive more print marketing products in the mail that direct them to visit personalized URLs that deliver targeted information.

Future marketing campaigns will deliver a cohesive yet targeted message along multiple marketing channels. One area that will specifically benefit from this tactic is customer loyalty programs. Companies that use a customer loyalty program can deliver targeted messages via mail and email based on the purchasing habits of each specific customer. However, companies will also look to communicate with its customers through social media tools, such as Facebook and Twitter.

³ <http://www.dmnews.com/list-marketing/article/160462/>

⁴ <http://www.dmnews.com/printing-and-production/article/160454/>





“...focus on what to send, not who to suppress.”



As reported in Deliver Magazine, Dave Frankland, principal analyst at Forrester Research, notes that companies have to maintain a centralized customer view, “We started out with mailing addresses and email addresses, but as we’re able to get other types of information like Twitter handles and cell phone numbers, we need to be able to hold on to that singular view of the customer.”⁵

Trends in Email Marketing

Over the last few years, email marketing has been extremely popular because of its low cost as compared to direct mail marketing. The recent economic downturn gave an additional boost to email marketing as companies found their marketing budgets being squeezed. Email marketing will continue to grow in 2010, but not just because of its low cost.

Email marketing has great ROI, which is getting the attention of C-level executives as they plan their strategies for 2010. The three big trends for email marketing in 2010 are:

- *Segmentation* – As visitors and customers provide more detailed information to marketers, companies will be segmenting their marketing efforts, pushing messages to the leads that are most likely to buy. For example, a company with three segmented marketing campaigns will see a larger ROI than from one general marketing campaign.
- *Web Analytics* – Web analytic tools will become more powerful and more detailed, allowing companies to perform extremely detailed tracking of the response to their email marketing campaigns, and calculate ROI in ways that were never before possible. Ed Henrick of ClickZ notes, “The problem with email is that its “cheap,” so direct marketers who are used to doing analytics for cost avoidance need to focus on analytics for revenue generation. The models need to focus on what to send, not who to suppress.”⁶
- *Integration with Social Media* – One of the big trends in 2009 was the boom in social media usage by both marketers and consumers. The push in 2010 will be to generate email campaigns that seamlessly integrate with social media campaigns and direct mail marketing campaigns. Marketers will be integrating Facebook pages and ads, Twitter messages, and personalized URLs with email marketing.

Despite these trends, marketers still have to achieve “deliverability” with their email messages, because consumers are receiving more and more email messages every day, and are savvy enough to filter out unwanted messages.

⁵ <https://www.delivermagazine.com/the-magazine/2009/12/17/four-trends-that-could-lead-to-growth/>

⁶ <http://www.clickz.com/3636014>

Other Direct Marketing Trends for 2010

Outsourcing Direct Marketing Activities

Many companies have not only reduced their direct marketing budgets, but have also reduced their number of in-house staff, while trying to maintain, if not increase, their operational and marketing activities. This trend has resulted in more and more companies looking to production firms to assist them with the design, development, and execution of direct marketing activities. Direct marketing production vendors provide expertise and efficiencies that can save companies money by allowing them to focus on their core responsibilities while the vendor acts as an extension of their marketing department.

Measurement/Analysis

The state of the economy has forced companies to look at every cent of their marketing budget in terms of ROI. Because budgets have been reduced, every action needs to be efficient and responsive. Management needs to see how their marketing dollars are being spent, and how effective each activity is. Advanced measurement tools allow companies to track and measure every step of every campaign to determine its success.

Liz Miller, vice president of programs and operations for the CMO Council goes one step further in Deliver Magazine, insisting that organizations extend their ROI measurement to their complete marketing supply chain. “Don’t focus on the return at the expense of managing investment costs. Map, track, measure and put a dollar amount on everything you do.”⁷



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About The Ballantine Corporation

The Ballantine Corporation is a New Jersey-based company offering turnkey direct marketing creative and production services to companies nationwide. Family-owned since 1966.

For more information on how Ballantine can jump start your direct marketing campaigns, please contact Ryan Coté at ryan@ballantine.com or (973) 305-1500 x206. You can also visit Ballantine online at www.ballantine.com.

⁷ <https://www.delivermagazine.com/the-magazine/2009/12/17/four-trends-that-could-lead-to-growth/>