

Three Ways to Make B-to-B Direct Marketing Work

Many business-to-business marketing professionals are happy with a 2% response on their mailings. Others are thrilled to get a 0.5% click-thru-rate on their E-mail marketing campaign. If that's you, you are probably using mass direct marketing techniques, not the relationship marketing possible with today's targeted direct marketing technologies.

What's the difference? Let's look at response rates. With the mass mailing approach, you buy or rent mail lists from trade publications, list brokers or trade show companies, then deliver general advertising messages to everyone on the rented list. The expectation for response is the venerable 2% figure, and the few responses you get are not qualified beyond the selectivity of the list. What's worse, they are seldom cultivated for future mailings.

With the targeted mailing approach, however, you build and refine an in-house database of customers and prospects, then deliver relevant, focused messages to segmented lists. The result: with segmented E-mail marketing and e-newsletter campaigns, we see 40% open rates, 10–20% click rates and opt-out rates of less than 1%—with follow-ups that continue to engage the recipient in relevant ways.

Here are three ways you can change your direct-marketing approach and see higher response rates and improved ROI:

1. Aim for Relationships, Get Responses

Higher response rates occur in direct marketing campaigns that use insights and techniques based on interaction. More relevant, more personalized content leads to better response rates. That's true for telemarketing, direct mail and E-mail campaigns. Today, personalization and relevance can be implemented in print media and digital channels—for example, using variable-data printing to create personalized collateral or using custom E-mail templates in segmented E-mail marketing and e-newsletter campaigns.

The key to response is relationship—creating a satisfying user experience based on personal, relevant communications. But how can you gain knowledge about what engages recipients and converts sales leads into customers?

2. Don't Sit on Your Biggest Asset—Your Database

Companies always have data on customers and sales calls, especially if the sales force is connected to customer relationship management (CRM) and sales force automation (SFA) databases. But often, there is too much data and too little knowledge discovery.

Large companies can afford data mining tools and statistical techniques. Few B-to-B marcom departments can employ formal data mining for a scientific level of analysis. They settle for no analysis at all, or because they don't know the value of their in-house database, don't even bother to maintain a list.

But for high response rates, you must be able to build your own list and analyze its value. Special E-mail marketing software is available that includes integrated web analytics. By taking a random sample of an existing list, for example, a test email campaign can be created that tracks *clickstream* data on such metrics as: read rate, click-through-rate, unsubscribe rate, and forward rate. These numbers can give you insight on how to increase the response rate from your mail list.

Increasing response involves a four-step process:

- **Expand** your database by acquiring as many relevant contacts as possible. You can build your own list through trade advertising responses, trade shows inquiries, web site registrations for white paper downloads, surveys, contests, etc.
- **Group** the names in clusters by appropriate objectives, such as qualifying or cultivating or recruiting.
- **Target** a random selection from the list by using A/B or multivariate tests that employ different offers, such as seminars, white papers, discounts, gift certificates, payment options, etc.
- **Test, scrub and refine** the list based on your findings.

3. Create a Direct Marketing Plan in Two Minutes

Developing a traditional integrated marketing plan may take weeks or months. But in today's world, opportunities arise and disappear very quickly. You need to get things done fast, but with more accuracy than the *ready-fire-aim* technique. If you are in control of your own database, you can write a direct marketing plan in two minutes and see results in two days.

Here are some basic questions to ask when drafting your plan:

- What is a summary of your market position and goals?
- What is the time period for accomplishing the specific goals of this program?
- What groups can you create in your database based on common regional, purchasing or other characteristics?
- What resources can you devote to reaching these groups?
- What media and offers can you use to reach targeted customers, such as e-news, e-newsletters, E-mail marketing, postcards, direct mail, telemarketing?
- What methods will you use to measure results and add value?
- How will you follow-up responses to continue to cultivate wellqualified leads?

The plan can be quickly implemented via E-mail. E-mail remains the most efficient direct communications channel. Compared to printed direct mail, it significantly reduces distribution costs (printing, handling, postage). Second, because it is online, Internet fulfillment is as easy as a click of the mouse. Many B-to-B marketers use opt-in e-newsletters to build and maintain relationships. With good analytics, it is easier to determine the value of these relationships and put together a more comprehensive direct program that can deliver a desired number of leads per month.

In today's world, the possibilities enabled by web technologies—combined with the intelligent use of customer and prospect data warehoused in CRM systems—make it very cost-effective for any B-to-B marketer to use *direct* as a strategic marketing channel. That's because it is easier to develop and implement programs that deliver more relevant, targeted content based on interaction with the customer or prospect.

The new opportunities for strategic direct marketing require a new mindset and process for capturing, cultivating, *mining* and *refining* relationships with customers and prospects. Compared to direct mail advertising, these are far more compelling uses of new technologies and the most significant opportunity for upgrading B-to-B direct marketing to interact more effectively.

KEYS TO MAKING B-TO-B DIRECT MARKETING WORK

1. Building and maintaining a database are the most important steps to increasing effectiveness and response rate.
2. Electronic technologies make delivery more efficient, but printed direct mail has its place.
3. E-newsletters are a well-accepted way to build audience affinity over time; they provide both brand building and lead generation.
4. Direct communications is a method of outreach from the web site; use it to keep the audience connected.

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