

DRAYTON BIRD

Commonsense Direct Marketing

'Drayton Bird knows more about
direct marketing than anyone else in the world.
His book about it is pure gold.'

DAVID OGILVY

NEW INTERNET
CHAPTER

FOURTH EDITION

Commonsense Direct Marketing

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Fourth edition

Drayton Bird



Dedication

This book is dedicated to my mother,
who can succeed at an age when
most other people have stopped trying.

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Contents

Plate section can be found between pages 187 and 202 in Chapter 9

<i>List of Plates</i>	<i>ix</i>
<i>Acknowledgements</i>	<i>xi</i>
CHAPTER 1 Beginnings	1
The amateur approach	2
The difficult approach	3
Some valuable discoveries	5
The mysterious rise of direct marketing	6
A paradox	10
Your timing is good	11
CHAPTER 2 The Three Graces of Direct Marketing	13
Short-term thinking	14
To make and keep a customer	15
What is direct marketing?	15
The Three Graces of direct marketing	21
How your customer is changing	22
Controllability: an important benefit	25
Giving your customer a better service	27
The spiral of prosperity	30
CHAPTER 3 Direct Marketing Can Do More Than You Think	35
What can you sell?	36
The role of direct marketing	37
Five major objectives of direct marketers ...	43
... And four ways to achieve them	44
Which names are best?	51
CHAPTER 4 How to Get Started	52
Does your business have a continuing relationship built in?	54
Sales-force help	55
Some pertinent questions	56

Use your names	58
Retail problems	58
The key to profit	59
Employers and shareholders	62
Who complains?	63
What mail order teaches	63
Three major errors	64
What should you sell?	66
Can you offer a good deal?	67
Ask your customers	69
How does it compare?	70
Pay the right price	71
Don't over order	72
Where to look	73
CHAPTER 5 Positioning and Other Mysteries Explained	75
Sound advice on boasting	76
Would a salesman do this?	77
Added value	78
Unique selling proposition	80
Positioning: today's theory	81
Changing the rules	88
General advertising and positioning	89
CHAPTER 6 How to Plan Clearly	92
Eleven steps to success	94
Five questions you must answer	97
Keep in touch	100
How to understand your customers better	102
Who knows where or when?	105
Where your money will do most good	106
CHAPTER 7 Media: A Different, More Flexible Approach	109
Five major differences	110
The media recipe	116
Timing critical	117
The eight traditional media at your disposal	118
The media of the future	135
Successful media selection	137
Proven principles of negotiation	142
Ten good deals	143
CHAPTER 8 Made For Direct Marketing: The Internet	145
Why do your customers use the Web?	147
A financial conundrum	150

Classic direct marketing ploy	151
The devil is in the detail: Internet practicalities	154
Six things that you must ask yourself before you build a site	155
Instant knowledge	160
The comparison with traditional retail	160
Too many rely on new ideas more than happy customers	163
What your site must deliver	163
The great divide: marketers versus techies	164
A-Z of building a Web site	166
CHAPTER 9 Your Greatest Asset	170
The value of a name	171
The relative importance of the list	172
Twelve criteria for evaluating lists	177
Your database and how to build it	180
Where to find the best new customers	186
Syndicated questionnaires	203
Compiled lists	204
CHAPTER 10 Where Ideas Come From and How to Express Them Persuasively	209
The birth of an idea	209
Getting organised	213
Context is everything	215
Nationalities and social groups	218
Media vary; principles don't	219
How to build conviction	228
The nuts and bolts of good creative copy	231
Creativity in action	238
Two secret ingredients	244
CHAPTER 11 How to Make Your Creative Work <i>Virtually</i> Foolproof	249
Twenty-five pointers before you write a word or sketch a layout	252
Planning your creative treatment	260
Eleven uncreative (but tested) ways to make your layout work harder	264
Thirteen attention-grabbers	271
Tricks and techniques that keep people reading	274
Charity advertising: a special case	276
What to watch for in broadcast	278
Now that you think it's perfect have you forgotten anything?	281
CHAPTER 12 How to Test – and Evaluate Your Results	285
Testing: the first duty	287
Thirteen ways you can learn by testing	290
A fair test?	300

A true and proper record	301
What testing achieved for me	307
CHAPTER 13 Testing Versus Research – and Other Matters	309
Tests that gained an account	310
Two laws of testing	312
Startling results	314
Nine testing opportunities	316
How much should you test? And when?	324
A famous case-history	325
CHAPTER 14 How to Choose Your Agency – and When to Do Without One	330
Agency or not?	331
Speculative presentations	334
Organisation and procedure	334
Playing the field	338
How much you should pay	340
Money and talent	342
Try to understand the process	342
CHAPTER 15 Client and Agency: the Unequal Partnership	344
The impossible dream	344
Joy ride?	346
Two types of relationship	347
Where things go wrong and how to get them right	349
Other trouble spots	354
CHAPTER 16 The Future of Marketing: Ten Predictions – and a Health Warning	357
Little more competence	363
Honesty	363
Full circle	365
<i>Index</i>	367

List of Plates

Plate section can be found between pages 187 and 202 in Chapter 9.

Joe Sugarman – A thoroughly modern mail-order man

Renault – A good example of how advertising and direct marketing work together

Reader's Digest – How well do you remember the hits of the 60s and 70s?

Eagle Star – How I saved £50 in five minutes

Kathie Webber

Belgian Xerox mailing with stopwatch

Compaq

American Express – Shades of no

Felix

Robert Hayes-McCoy – Fan of letters

Jet Stream before and after

British Telecom

Amex

Avon

Help the Aged

Banco Comercial Português

Quality Paperback mailings

‘Drayton Bird knows more about Direct Marketing than anyone in the world. His book about it is pure gold.’
David Ogilvy

‘Remarkably personal, yet authoritative.’

Ed McLean, *DM News*, New York

‘Everything the testimonials say, and a bargain at any price.’

Robert Heller, Editor in Chief, *Finance*

‘The most stimulating book on marketing I have ever read.’

M E Corby, Mail Users’ Association Ltd

‘I have already got my money back at least a hundred times over.’

John Fenton, Founder, The Institute of Sales and Marketing Management

‘So clear and concise that selective quotations fail to do justice to the richness of its texture. Read it.’

Campaign

‘Perceptive, provocative and funny as hell.’

Robert Leiderman, The Leading Telemarketing Expert

‘I recommend it to all my students.’

Dick Hodgson, The Top US Direct Marketing Teacher

‘Without doubt the best direct marketing book which exists.’

Erik Van Vooren, BBDO Direct, Brussels

‘I picked up your book Saturday night late – I put it down early Sunday! I am very grateful to you.’

John Fraser-Robinson, Author, *Secrets of Successful Direct Marketing*

‘Commonsense in direct marketing makes sense after reading Drayton Bird’s excellent book.’

Eddie Boas, Organiser, Pan-Pacific Direct Marketing Symposium

‘If you can spare the time to read only one direct mail book – this is it. Beg, borrow or steal it.’

Graeme McCorkell, Founder, MSW Rapp & Collins

‘... the best work on the subject I’ve ever read... and I’ve read them all!’

James A Mienik, Direct Marketing Reports, Tampa, Florida

‘A definitive mini institute from one of the industry’s greats.’

Mike Pitt, Time-Life International, Australia

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Beginnings

'Learning teacheth more in one year than experience in twenty.'

Roger of Ascham

*'The only purpose of advertising is to sell;
it has no other justification worth mentioning.'*

Raymond Rubicam
Founder, Young & Rubicam Advertising

*'When a man knows he is to be hanged in a
fortnight, it concentrates his mind wonderfully.'*

Dr Johnson

In 1957 my situation was bleak. I was making £7.00 a week editing a small trade journal. Even in those dear, dead days when cigarettes cost the equivalent of 10p a packet this would not support a wife and child – even in the two-up two-down cottage with outside lavatory we lived in. I had to do something.

At the time, I was much taken by a smooth aristocratic friend who worked in advertising. He seemed to be making pots of money without too much effort and advised me to become a copywriter. It took six months using all my reserves of servile flattery to find a willing employer.

I had three qualities to offer, apart from desperation.

First, I was brought up in a northern pub with a widely varied clientele. Encountering very different kinds of people after they have had a few drinks is splendid education for life. One minute I might be serving a pint of best mild in the vaults to Alec, whose party turn was describing how his wife had gone out one day for a loaf of bread and never returned. The next I would

be listening to a mottle-faced cotton magnate in the American Bar lamenting the Socialist Government's determination to part him from all he possessed.

Second, I could write. You may consider this essential for the job I sought, but this is not apparent to many would-be copywriters. An alarming number cannot spell, punctuate or write long sentences – let alone tangle with such niceties as 'it's' versus 'its', 'compliment' as opposed to 'complement' and so on.

Third, I had read every book on advertising in Manchester Public Library and enrolled in an evening course on the subject. You may also see these preparations as obvious, but not all agree: when I finally entered the industry, I discovered few of my colleagues had taken the trouble to study the subject, or were even clear about the *purpose* of advertising.

This ancient ignorance has yet to be entirely dispelled. Over 80 years ago the first and best definition of advertising – 'Salesmanship in print' (still valid if you allow for broadcast media) – was formulated. However, this fairly simple thought has not penetrated the skulls of many practitioners or their clients to this day. You find this hard to believe? A 1980 survey of senior British marketing people revealed that 80 per cent thought advertising had some primary purpose *other* than selling.

Many see this as a comfortable state of affairs. If nobody knows what advertising should do, how can the content (or results) be evaluated? Under such circumstances it is relatively easy to make a fair living in the industry if you have a quick mind and an ingratiating manner.

THE AMATEUR APPROACH

I had imagined this amateur approach to be peculiarly British until I read a piece headed 'Ignorance is bliss' in the December 21st 1992 issue of America's *Advertising Age*. It revealed that 1,003 senior executives had been tested on their knowledge of marketing principles with results so abysmal that they would have done better if they had answered 'Don't know' to every question. Over the years I have interviewed hundreds of prospective employees. I almost invariably ask: 'What books have you read on direct marketing or advertising?' A significant percentage have read none; few have read more than one or two. The following account gives you an idea of the problem.

Study the subject

Bird: 'What books ...?'

Young (but not inexperienced) art director: 'Well none, really. I don't believe in theory. It kind of, well ... I don't like to restrict my imagination.'

Bird: 'Really. Then how do you learn about the business?'

AD: 'Well, you know, you kind of pick it up by being around. You know, reading *Campaign* and that sort of thing.'

Bird (getting agitated): 'What sort of thing?'

AD: 'Well, working in a good agency, and watching what happens.'

Bird (restraining certain violent tendencies): 'Would you expect to pick up brain surgery by standing around the casualty department at University College Hospital?'

AD: 'Well, no. That's different, isn't it?'

Bird: 'Yes. *Everything* is different. But that doesn't mean you don't have to learn it properly.'

(Interview breaks up in disorder.)

Depressing, isn't it? Especially if you're trying to build up a business. You have to *educate* your staff before they become worthwhile to you – by which time, I might add, they have become rare and coveted commodities on the employment market.

THE DIFFICULT APPROACH

Returning to my early experiences, I soon discovered that some clients had very clear views on advertising. That was because their businesses depended on it. Either they were mail order companies seeking agents and customers or they were selling products door to door, soliciting inquiries from potential purchasers.

They were often difficult people. They wanted *replies* – and lots of them. Their advertisements tended to be bloody, bold and resolute; intent on results at the right cost. They would tell you very quickly (and sometimes quite offensively) whether their advertising was working.

Few of my colleagues were keen on working for them. They preferred clients with vaguer objectives like 'spreading our good name'. Even better were those who simply spent the agreed advertising appropriation every year in the way they always had. Such clients assessed their advertising quite simply: did they like it?

To this day many advertisers spend enormous sums in the same slapdash way. They and their agencies may claim their efforts increase sales, but it's not always easy to discover by what alchemy that happy result occurs. So many other factors intervene – like what your competitors are doing in terms of advertising, price and distribution – that establishing how sales are affected by advertising is very tricky. This fact gives occasion for many fanciful alibis on the part of agencies and marketers when the sales curve goes down instead of up.

A senior marketing man with one of the world's largest companies recently told me they advertise simply to create *awareness*. Sales were somebody else's problem, I gathered. Many regard their advertising in isolation in this way; they 'uncouple' it from the rest of the marketing process.

If you ignore the matter of sales, you can discover many valuable things about your advertising. Did people notice it? Did they read it? Did they

**Why results
matter**

**Awareness vs
sales**

understand it? Did they remember it? Did they like it? This last question in particular can mislead. Some advertising is *so* likeable it obscures the merits of the product. Thirty years ago, a New York beer company called Piels ran commercials so popular the public demanded they be recalled when they were taken off. Unfortunately, every time they did so, sales went down.

A puzzle

Why then, you may wonder, are so many still unwilling to use the only fool-proof way of measuring whether a message makes people act? Namely a reply device, a coupon.

Customers prefer coupons

It is a bit of a puzzle, isn't it? It's a shame, too, because research conducted by Daniel Starch & Staff in the USA indicates that putting a coupon in your advertisements actually increases readership. All advertisers, no matter what their views, agree this is desirable.

There has been a remarkable amount of ill-informed comment about coupons and response devices. In particular some benighted members of the art directing fraternity believe that a coupon spoils the ad's image. This poisonous myth has been demolished for all time by excellent research from Telelab in the UK on how customers – either business or consumer – really feel about response devices.

There were 801 respondents. 38 per cent of consumers and 48 per cent of business people claimed they had responded to advertisements to request further information. Interestingly, wealthier, better-educated readers are more likely to respond among consumers; and amongst business people, the more senior the executives, the more likely they are to have responded. A counterblast to those who imagine only poor, less-sophisticated people like direct response.

And what do customers think of response devices? 89 per cent of consumers and 94 per cent of business people believe 'companies should provide a direct means of response in all their advertising'. 77 per cent of consumers and 61 per cent of business people think the mere presence of a response device 'said something positive about a company'. 21 per cent of consumers weren't sure what effect a response device had, and 33 per cent of business people were uncertain.

So 2 per cent of consumers and 6 per cent of businessmen thought response devices said nothing about a company or made a negative impression. This information conveys a message which I will put flippantly as follows: people who don't use response devices are anywhere between 94 per cent and 98 per cent stupid.

A response device reveals whether people were motivated to *act* on your message. It tells how well each advertisement performed against others. And you can evaluate media by running the same message in different publications or on different channels or at different times. The Telelab research

shows you can do all this whilst enhancing your image *and* giving your customers what they want. That can't be bad, can it?

This reveals one important fact which few realise – apart from the fact that people like response devices – and that is, the response device actually improves your image.

To be honest, I think both agencies and advertisers are insecure. They are frightened of discovering that what they do does not work. Yet how can asking people to reply be anything but a good idea?

I formed that view in my early years as a copywriter. I hated being judged on the basis of someone's opinion – be it the client, the client's spouse (the case with one famous soap company I worked for), or even the client's customers. I was dying to know if I was making people *buy*. In this way, every time I learned something was working (or not) I could improve my efforts. This simple approach helped me become creative director of a well known London advertising agency at the age of 26, within five years of entering the business.

I became conceited. Soon I was sure I knew more than any of my clients, even the ones who counted their results. After all, it was my copy, was it not, that ensured their business success? Mere trivia like understanding management, or how much you should pay for a product – let alone the boring business of distribution – were far beneath my notice. I decided I would quickly make my fortune in the mail order business.

Why fear results?

SOME VALUABLE DISCOVERIES

Over 200 years ago Daniel Defoe observed: 'The mariner to sail with is he who has been shipwrecked, for he knows where the reefs are.' I discovered several reefs when I set out on my first venture.

A friend of mine and I ran a £560 ad for ladies' hairpieces in the *Daily Mirror*. The ad ran on a Saturday. The following Monday we rushed round to our borrowed office, a little room at the top of a flight of narrow stairs. It was almost impossible to open the door. A huge pile of envelopes had jammed it shut from the other side – envelopes full of money.

We gutted them swiftly and worked out our likely results. Bingo! We calculated we should make £5,000 profit at least. Our fortunes were clearly made, since the fashion for hairpieces was just beginning. I knew this was the business for me: all the thrill of gambling, only you control the odds.

Having discovered how quickly we could make money by selling direct, we soon learned an important lesson: don't rely too much on other people. Our supplier left all the hair samples our customers sent in next to an open window. When the wind blew them all over the place, we had a fearful refund problem.

The supplier was not put off by this mishap. He could see what a good business it was and decided to cut us out and do it himself. Happily, he lost his

shirt. This was because he didn't realise that unless the advertisement was correctly prepared, it would not get replies. Accordingly, he produced one himself which flopped totally. This was probably the only good thing to emerge from this exercise. My partner and I were lucky to escape without losing money.

You might imagine this discouraging experience would quench my enthusiasm. Not at all: I couldn't wait to walk out of my safe job and try again. I went to work with a friend who had the rights to a bodybuilding device called the 'Bullworker'. I used it for 30 days and gained 14lbs in solid muscle. If it could work for somebody like me – the perfect 'Mr Before' – I was sure I could sell it. I was offered a share of the profits if I succeeded.

I worked like stink and within six months we were selling 1,000 of these gleaming instruments every week. Unfortunately (my second lesson), my friend was not good at arithmetic. We had sold every single one at a loss. The business had to be disposed of.

I retreated to the safety of another well paid job in advertising, but remained in love with mail order. It appealed to someone like me who spends every penny he makes. You didn't need much money to set up. No costly premises were necessary to entice passers-by. You could run advertisements even if you didn't have any goods – buying them from the suppliers as you sold them. You could even get credit from advertising agents, who were usually so eager to get new clients they rarely checked your financial status.

I continued to try – and fail – until through force of sheer repetition my enterprises started to do well. One in particular demonstrated the unwarranted self-confidence and extraordinary gall I must have possessed. It was a newsletter advising people presumably even more ignorant than myself on how to make money. It did well – and still does.

Over the years since then, I have engaged in a range of activities so wide that simply contemplating them makes me feel tired. I have written scripts, advised companies on marketing, run a franchise company, organised exhibitions, run a sales force (never again!), helped launch a research company: you name it. In the course of all this I have also been fortunate enough to learn from some very talented people.

I have worked with some of the world's largest (and smallest) companies. Most of my clients have had the sense to ignore my more foolish suggestions and accept my more intelligent ones. I have planned and written hundreds of advertising campaigns and individual pieces. Almost every experience has taught me something valuable.

THE MYSTERIOUS RISE OF DIRECT MARKETING

In the early days, mail order – direct marketing's most obvious manifestation – was unfashionable, verging on squalid. It attracted the wrong people: those who liked selling something sight unseen which could therefore be described

with a licence and disregard for truth only estate agents, motor dealers and holiday companies can match.

In turn this attracted the wrong products; the kind even a street corner tout would disdain to touch. I well recall asking a Belgian mail order operator in 1962 if a product which promised to expand the size of your bust worked. He looked at me with contempt: 'If you ask me silly questions like that, I am going straight home.'

Despite this sort of thing (which still persists), perceptive observers had always found the logic behind direct communications inescapable. In the 1960s David Ogilvy commented: 'Direct mail was my first love – and secret weapon in the avalanche of new business acquisitions which made Ogilvy & Mather an instant success.' A few years later, Ed Ney, chief executive of Young & Rubicam, the world's largest advertising agency, predicted: 'When you wake up in ten years from now, you will find direct marketing is beginning to take over. If you choose direct marketing, you will be entering the most vital segment of the economy for the next 50 years.'

As time passed, the mail order and direct mail businesses crawled out of the gutter and became mysteriously transmuted into direct marketing. By the end of the 1970s over half the *Fortune* Top 100 Companies were either dabbling with direct marketing or were direct marketers, like *Reader's Digest* or *Time-Life*. Why this occurred is a principal theme of this book. Until you understand the reasons, you will never know how to make the most of direct marketing.

The potential of direct marketing is certainly appreciated by most senior marketing executives today. A 1987 survey revealed that 60 per cent of the top 250 advertisers in the United Kingdom thought that direct marketing would be more important than general advertising by the end of the century. This is rather surprising when you realise that, according to another survey conducted by Ogilvy & Mather Direct, the average marketing executive saw direct marketing practitioners as a bunch of unprofessional cowboys. (Hearteningly, those who had actually dealt with direct marketing agencies had a more favourable view.)

To those of us who have been involved in this business for a long time, this new interest in our activities is quite heartening. Where once we muttered at smart parties, 'Er, mail order', when asked what we did for a living, we can now say confidently: 'Direct marketing'.

Ignorance of direct marketing

In 1976 a farsighted friend of mine, John Watson, suggested to me that it would be a good idea to start an advertising consultancy or agency specialising in direct marketing – especially since I knew more about it than most.

I mentioned this to another old friend, Glenmore Trenear-Harvey, and the three of us set up in business. We had no clients and no money (we couldn't even afford an office) but within three or four years Trenear-Harvey, Bird and

**Nobody
knew what
direct
marketing
was**

Watson was the largest direct marketing agency in the UK. This sounds quite grand until you realise that compared to the big general advertising agencies, our 22-man business was the tiniest of minnows.

Despite its growth, few people had a clear idea of what direct marketing was (and this is still true today). Of course, to survive, you had to discover what worked and what didn't. But most of the books purporting to explain the subject were either out of date or long and tedious, however informative; and none was British.

In 1980 my partners suggested I write the first book on the subject in the UK. Thus emerged *Commonsense Direct Marketing*, in 1982. I was surprised at how well received it was, and thought I could relax, having made my contribution to the literature of the subject.

**How people
use direct
marketing**

However, although the principles that govern direct marketing have not really changed in the years since, the discipline is being employed by organisations which were barely aware of it until recently. Moreover, it's being used for a much wider range of purposes than merely selling – for instance, to affect voters' decisions. As far back as the Eisenhower presidential campaign, direct mail was being used on a very large scale, whilst in the 1992 American Election, quite a range of direct marketing activities were employed. One Democratic hopeful, Jerry Brown, asked people to call him on a toll-free number to give their opinion after his broadcast. This was so successful it was copied by the other candidates. All three presidential candidates, Perot, Clinton and Bush, mailed out video tapes directly to special interest groups. And there was an enormous weight of direct mail designed to raise funds and shift opinions.

Since 1982 I have spent a great deal of time travelling to many countries, meeting and talking with direct marketers. I have learned a great deal about how it is being used in almost every sort of society. I believe that its impact, not merely on business, but even on our world, could be considerable. (A sweeping observation, you may consider; but as you read these pages, you may come to agree.)

For these reasons I was persuaded I ought to revise my original book. In the process of doing so, the task became more than a revision – it became almost a complete rewrite. However, I have incorporated most of the original book and my intention remains the same: to give you the *essentials* of direct marketing briefly, entertainingly and memorably so as to inspire you to make correct and profitable decisions.

The idea of the book is simple. First, I want to define direct marketing and show where it should fit into your business; what role it should play. Business methods flourish when they work for you and your customers; therefore I also want to explore the technological and cultural changes in our society which make direct marketing so relevant.

Second, I want to answer some questions. How should you best plan your direct marketing? How does it relate to your other promotional activities

like general advertising, sales promotion, packaging and public relations? How should you implement your efforts and, of course, evaluate your results?

Third, I believe one example is worth a ton of theory. It's all very well isolating principles, laying down rules and issuing exhortations, but I have also incorporated a wide range of appropriate case histories culled from many countries and types of business. These, I hope, will bring the subject to life.

Just commonsense

Fortunately, direct marketing is not difficult to understand, despite the efforts of a large number of half-baked theorists with a penchant for quasi-academic jargon. Naturally, we all like to dignify our craft with a little mystery for the benefit of outsiders; this is particularly true of experts talking to potential customers with bags of money. But really direct marketing is little more than commonsense, which is what led to the title of this book.

Nonetheless, success does not come without great attention to detail. In few businesses can so many things go wrong so quickly if you don't pay attention.

I have already told you about my initiation into the wonderful world of hairpieces, and throughout this book I shall give you a fair selection of examples showing my rare ability to turn triumph into disaster in quite a number of businesses – sometimes even my present one. As a result of these little coups, I have proved to my own satisfaction that I am as likely as not to get things wrong.

But I consider myself fortunate to have made so many mistakes. We learn little from success. We are usually so delighted that all we do is break open another bottle of champagne. We rarely stop to analyse *why* we did so well, assuming instead that it is our uncommon skill and talent. On the other hand, if you make a mistake you are forced to examine what's gone wrong and compare with previous success to ensure you don't repeat the error. Daniel Defoe was right.

I will tell you as much as I can of what I have learned, with the minimum of technical detail. Like me, you may find technicalities difficult to follow. What I am trying to point out are the *principles* rather than the minutiae. By following them, you should be able to avoid some of the nasty surprises I have had. And the important point I would like to make is that they tend to apply in almost every country, with almost every kind of audience and every type of product or service – and they are not new: indeed they date back over a hundred years.

From ant farming to insurance

One of the books which originally inspired me to go into the mail order business was called – with a directness which appealed to the larceny in my soul

**This book's
purpose**

**So easy to
fail**

**The
principles
have not
changed**

– *How I Made a Million Dollars in Mail Order*. Here's a quote that really got me humming: **'I know of no business in the world that requires such a small investment to start, yet holds promise of such tremendous financial gains.'**

The writer, Joe Cossman, started his business about 50 years ago. Having little money, he started by working from his kitchen table. His staff was his wife. He sold some bizarre products, including lifelike shrunken skulls (which *still* sell, by the way), an ant farm, a garden sprinkler, a spud gun and wild animal heads made of plastic to hang on your wall like big game trophies.

Since the 1940s, our business has changed dramatically. Yet if you were to read Joe Cossman's book today, you might find his writing style a bit breathless but you would still be impressed by the sense he makes.

For though we now sell more expensive products and services, in far greater variety; and though we now use lasers and computers to print and distribute our messages; and though we have now reached the point where people can order direct from their TV or computer screens, the *thinking* you need to succeed in direct marketing hasn't changed at all. You can still start from your kitchen table and make your fortune. Indeed, in the USA, Joe Sugarman with his JS & A company did precisely that in the 1970s and '80s.

Joe Sugarman sold some very sophisticated products, many electronic or in the health field. Most didn't exist when Joe Cossman set out to festoon America with shrunken heads. Sugarman's ads didn't even carry coupons, because the vast majority of his orders came through the telephone with his customers paying by credit card. (I've illustrated an example of his work elsewhere in this book – he is a master copywriter.) But Sugarman's principles are much the same as those advocated by Cossman. The potential that awaits you by following these principles has by no means yet been realised.

For example, finance is probably the largest single area in our business. Within that field the largest category is probably insurance.

A PARADOX

In 1970 an American friend of mine suggested we go into business selling insurance direct. I didn't understand how this could be done: I couldn't see how an intangible like insurance could be sold direct. It seemed too *complicated*, for a start. And therein lies one of the central paradoxes of the direct marketing business. For it is precisely *because* they are complex that many products sell so well through this method – as you will see later in this book.

Three years after my 1970 conversation I went to New York and took a ride on a bus. Inside the bus I was surprised to see hundreds of 'take-one' leaflets hanging from little hooks. The leaflets invited you to insure yourself against the cost of hospital expenses. I was quite amazed.

In the first place, I had never heard of the product before. But what particularly surprised me was that the leaflets featured not the worry of hospital costs, but the large sums of money you would be paid if you did end

up in hospital. This seemed to make no sense at all to me. Of course, I was wrong. The thinking behind these leaflets was based upon an important truth: people like a benefit (money) more than a negative, scary thought.

I was equally amazed at finding these leaflets on a bus. A strange place, I thought, to sell a financial service. Looking back, once again, the reasoning is simple. *Everybody* is interested in money. *Everybody* thinks they'll probably have to go to hospital one day. So this policy appealed to virtually everyone – and where better to offer it than on a bus?

Since then this type of policy has been sold in most countries around the world. In England, too, it appeals to the mass of people and is sold through door-to-door leaflets.

Oddly enough, in 1984 at a business lunch I was sitting next to two British insurance experts who also expressed doubt that insurance could be sold through the post. At the same table were two Americans, both of whom had become millionaires by doing precisely that.

YOUR TIMING IS GOOD

Some people imagine direct marketing is a passing craze. For reasons I shall cover in the next chapter, this is not so: what we have seen may be only just the beginning.

Research Surveys, Great Britain, regularly question a panel of 1350 households about their reactions to direct mail. The volume of direct mail in the United Kingdom has doubled over the last ten years, which might make you think recipients are becoming increasingly irritated or bored by it. Apparently not. In a 1992 survey, it emerged that 21.9 per cent of direct mail is read carefully and set aside for future reference. 37.1 per cent is thrown away immediately, whilst 14.4 per cent is glanced at and then thrown away, a total of 51.5 per cent.

Surprisingly, in an identical survey conducted a year previously, people said they immediately discarded or looked at and then discarded 62 per cent of their mail – over 10 per cent more. So it seems people are finding direct mail not less but more involving – perhaps because standards are going up. Within Ogilvy & Mather, the advertising agency group I used to work for, the direct marketing arm was growing much faster than general advertising, and this growth is continuing as more and more companies put resources into this form of marketing. So there is a great and growing lack of people who take the trouble to understand the business. People like you, in fact. There could hardly be a wiser time either to enter direct marketing, or to learn how to exploit it better.

You may be, as I once was, a young copywriter – or an art director. Perhaps an account handler in a general agency thinking that direct marketing might offer a better future. You may be an experienced marketer with millions to spend who is facing an intractable problem and wondering whether direct marketing will help. Would direct mail build brand preference as well as television? Is it as memorable? Should you be spending more money on *retaining*

**Sell the
benefits**

**The reaction
to direct
mail**

**A good time
to start**

customers through a direct loyalty programme than on trying to attract *new* ones? Can direct marketing help you motivate your salesforce?

Perhaps you have money to invest and are considering direct marketing as a way of setting up in business. Or you may already be running a successful direct marketing business and want to improve your results. For that matter, you may be working in charity or politics. Whatever you are trying to achieve that involves persuading other individuals to do what you want, you should find this book helpful. And I assure you that you will have far greater success by following the guidelines you read here than depending on judgement alone, or that most costly of commodities, *flair*.

**Rules are not
sacred**

There's no certainty you'll succeed. But I can assure you that you are likely to minimise the risk of failure. Marketing is as much an art as a science, because human beings are involved. Every principle does not always hold true. Indeed, you will see quite a number of examples throughout the book where the 'rules' which many direct marketers adhere to so slavishly, with such monotonous results, have been successfully ignored.

In fact, just about the only sure thing about direct marketing is that you will be surprised – frequently. No matter how carefully you plan, based upon how people *ought* to behave, or *have* behaved in the past, they keep giving you nasty shocks. That's one reason why direct marketing is never boring.

One thing I do promise: what you will learn here is a bargain. For I learned it with millions of pounds of other people's money – and quite a few thousands of my own.

**Your money
back if you
are not
satisfied**

Finally, in the best direct marketing tradition, let me offer you a guarantee. I have tried to cram into this book as many thoughts and instances as I can summon up. I hope you find them informative, and the book entertaining. But most of all, I hope I stimulate you into fresh thinking, to help you succeed. So if you don't find at least one idea (and many more, I hope) that pays for the book ten times over, return it and we will refund the money.

On the other hand, if you like the book or you have ideas for improvements (and I am sure it could be improved) then write and tell me. This latest edition has evolved very much with the help of comments made by readers such as you.

The Three Graces of Direct Marketing

'A Chinese sage of the distant past was once asked by his disciples what he would do first if he were given power to set right the affairs of the country. He answered "I should certainly see to it that language is used correctly." "Surely," they said, "this is a trivial matter. Why should you deem it so important?" The Master replied "If language is not used correctly then what is said is not what is meant. If what is said is not what is meant then what ought to be done remains undone. If this remains undone morals and art will be corrupted. If morals and art are corrupted justice will go astray. If justice goes astray the people will stand about in helpless confusion."'

Recounted of Confucius

'We're here, because we're here, because we're here, because we're here' ... and so on, ad nauseam.

Well-known British Army song

When I reached the august age of 51, one of my family sent me a birthday card. The front bore the legend: 'You have now reached the age where you start to ask yourself important questions like: why are we here? ... where are we going? ...' I opened the card, to see inside: '... and will the pubs be open when we get there?'

This story prompts me to inquire, dear reader, how often you ask yourself why you are here – what you are in business *for*? I have asked audiences all over the world that question. Nine times out of ten the reply is either: 'To make a profit', or 'To make money'. It seems fairly obvious, doesn't it? And it leads on quite naturally to the aim of making *more* money each year.

Yet some businesses appear to have very different aims. For instance, I was most interested a couple of years ago to read that an eminent Japanese businessman, when asked why *he* was in business, replied: 'To ensure the survival

**Why are you
in business?**

of my company.' I suspect this reply would not be unusual in Japan. For many years Japanese industry has tended to invest a higher percentage of its profits in building for the future than we do. It does not feel obliged to squeeze every yen out of the annual turnover and hand it over to the shareholders.

Clearly, if you are intent upon *survival* rather than a fast buck, you are going to plan more for the long term. No doubt this attitude explains why the Japanese did better than us for a good 40 years. But whatever your aim, it will colour all you do: the way you structure your organisation, manage your staff and set their targets; everything, right down to the smallest marketing decision.

SHORT-TERM THINKING

If you have dealt with many large, sophisticated marketing departments, you cannot help but be struck by one fact: the tenure of the average person in a position tends to be fairly short. It's quite unusual for anyone to stay in a particular job longer than two or three years. In that period, each person has to make his or her mark. How? Obviously, by producing quick results – and often, by change for the sake of change. That way one can be seen quite clearly to be *doing* something. (One revealing statistic I came across a few years ago was that in 50 per cent of cases when a company changes its marketing director, that marketing director will then change advertising agencies within the next 12 months.)

Quick results
– a good
idea?

This kind of management does not lead to long-term planning or even consistency within your organisation. The *urgent* is constantly taking precedence over the *important*. When you come to consider implementing direct marketing, you cannot afford to think this way. You must look long term.

Can you
define
'marketing'?

I am anxious to emphasise this to you because most people tend to be attracted to direct marketing for the very reason that I was: you can see what you're getting for your money. That is important; but it is only one benefit of the discipline. To explain why, let me start by asking you to try a little test. Ask a few of your colleagues to define *marketing*. I do not know you, your colleagues or your organisation, but I would be surprised if most could do so adequately. As a matter of fact, when I have put the same test repeatedly to marketing people recently, only around one in three seems able to give a good definition.

The British Institute of Marketing, which ought to know, states that marketing is '**the management process responsible for identifying, anticipating and satisfying customer requirements profitably**'.

I want to record that definition, in order to place *direct* marketing within the context of marketing itself. In my experience most people think of marketing very much in relation to selling, publicity and promotion. But if you read that definition carefully, it's concerned with just about every aspect of business, from what you pay for your raw materials right through to how you make, price, distribute, advertise and sell your product. (At this point, I feel I

should beg your forgiveness: you, of course, know the answers to these simple questions, and I am just refreshing your memory. Bear with me then if, for the benefit of those who don't know what it is, I now discuss the *aim* of marketing.)

TO MAKE AND KEEP A CUSTOMER

You may have read *Management Tasks, Responsibilities and Practices*, by the American business writer Peter Drucker – a title, in my view, calculated to make anyone except the most dedicated masochist give up any idea of managing anything, ever. In this book he suggested that the aim of marketing was really to *eliminate* the need for selling. 'To know and understand the customer so well that the product or service fits him and sells itself.'

Peter Drucker is one of the best thinkers in the world on business. Many years ago he suggested that the purpose of business was not in fact simply to make money, but to create customers. This thought was developed further by Theodore Levitt of the Harvard Business School as 'to make and keep a customer'.

I think you will agree this definition makes sense whatever your objective – short term or long term. Indeed, if we simply change the word 'customer' to 'supporter', 'colleague', or 'employee', you can apply this to just about anything you want to do: run a successful charity, build a political party, or develop a hardworking, committed body of workers. However, for simplicity's sake, I am going to refer in this book mostly to 'customers' and 'business'.

If you agree with me – or rather with the experts I have quoted – on the purposes of business and of marketing, then I think that once I have defined direct marketing to your satisfaction, you will quickly see the reasons for its growth, why its future looks very promising, and how it can play a valuable role within your business.

**The purpose
of business**

WHAT IS DIRECT MARKETING?

Since even a mature business like advertising is not clearly understood by many of its practitioners you can hardly be surprised that few understand what direct marketing is. Indeed, whilst preparing this book, I saw that, in a survey of 133 leading American direct marketers, no clear agreement on what the business is emerged.

When the phrase direct marketing comes up, most people, in my experience, immediately think of the *medium* of direct mail. Others think of direct marketing as a *method of selling*, like off-the-page selling. Others confuse it with a *channel of distribution*, like mail order.

Producing a definition as simple in its way as that of 'Salesmanship in print' for advertising has proved an insuperable task for the industry's pundits. So much so that (in what I can only assume was a moment of despair) *Direct Marketing* magazine – then the industry's leading American organ – summoned

Why a definition matters

not one, but *three* experts to do so. The result of their labours may be seen at the beginning of every issue of the magazine. It occupies two half pages, and features one of those gloriously complicated flow charts which always throw me into a state of utter confusion.

You may consider the need for a simple definition unimportant; indeed, few people using direct marketing bother to speculate on what it really is. But I consider it crucial. Imagine spending millions of pounds without clearly understanding what you are spending them on. Not an imaginary scenario, I assure you.

In fact, not long ago, I recall a debate taking place with a leading automobile company, which we shall call Ford for the sake of argument, covering many countries and multifarious marketing problems. Was direct marketing an advertising activity? In that case the people in charge of advertising should make the decision. Was it 'below the line'? In which case that company's policy meant that a different department, usually concerned with purchasing everything down to stationery, would deal with it.

I will not go into detail, save to say that in the end different decisions were made in different countries for different reasons – most to do with these varying views of what exactly direct marketing is. This is obviously stupid. And it is not likely to become any more intelligent if everybody involved has to understand and memorise a long, illustrated definition before they start work.

Moreover, the pool of understanding has been muddled considerably by the fact that many practitioners are not even agreed that direct marketing ought to be called direct marketing. As a result of this, combined with the desire to give brand names to particular companies' approaches to the business, all sorts of names have cropped up: terms such as 'curriculum marketing', 'dialogue marketing', 'personal marketing', 'relationship marketing' and – perhaps the most popular alternative – 'database marketing'. But the most common term remains direct marketing. It is certainly the one I propose to stick to.

Building a relationship

Nevertheless, these terms do reveal important facts about the nature of the business. Certainly direct marketing revolves around the building and exploitation of a database – though there is more to it than that. Equally, building a relationship is one of our objectives – but only one. The approach *is* personal; and in the process of building a relationship, you can guide your prospect through a curriculum whereby you learn more about them and they learn more about you.

But my simple definition of direct marketing is: **'any advertising activity which creates and exploits a direct relationship between you and your prospect or customer as an individual'**.

If you and I can agree that we ought to call direct marketing 'direct marketing', and you accept my simple definition, then you will immediately appreciate that a very wide range of activities is encompassed.

I am sure you have been stopped by people standing on street corners with questionnaires bearing such inane queries as: 'Are you able to save as

much money as you'd like to?' If you are not careful, these will lead to a visit from an insurance salesman. Clearly these people are engaged in direct marketing: they are making a direct contact and trying to initiate a relationship with you as an individual.

In the same way, somebody who offers you a leaflet inviting you to go into your local hamburger joint and win a prize; or the ad for the introduction agency offering love everlasting; the note in the shop window selling a used ghetto blaster; the ad suggesting you apply for shares in British Telecom; the leaflet coming through your door in praise of your local Conservative Party candidate – they're *all* direct marketing. In fact the most popular section in many papers – the classified section – is nothing but direct marketing.

Perhaps it is worth stating here what I believe to be the differences between direct marketing and some of the other communications tools. (This is not made any easier by the fact that in the case of sales promotion, the people in that industry are no more agreed about what they do than are direct marketers.)

How does direct marketing differ from other activities?

- *General advertising* speaks to people *en masse*. It does not try to isolate them as individuals. Nor does it normally demand immediate action. It is designed to make people have feelings and inclinations so that they will make a decision in your favour at the point of purchase, wherever or whenever that may be.
- *Sales promotion* is designed to achieve an immediate effect on sales. It often uses the same means as direct marketers – for instance, direct mail and special offers. It frequently generates lists of respondents to promotions. But because it is normally conducted on a short-term basis, it does not then proceed to build a relationship with those respondents as individuals by placing them on a database.
- *Public relations* employs media controlled by others to create a favourable climate of opinion. It, too, can create a database, eg replies to editorials.
- *Packaging*

**How
disciplines
differ**

Who is not a direct marketer?

Of course, it is often very hard to determine the dividing line between what is advertising and what is direct marketing; or what is sales promotion and what is direct marketing. It may even be a waste of time to try too hard, though we need definitions in business if only to decide who does what.

The guiding principle, I suppose, is: whatever you call it, is it a good idea? For example, Hewlett-Packard in Germany sent out a mailing to very senior executives. The theme was 'quotations'. There were quotations included from Goethe, Churchill, Einstein and the like – as well as from the founders of

**Direct public
relations**

Hewlett-Packard. There was not much about products, but quite a lot about business culture. Recipients were asked to submit their favourite quotes.

It was direct marketing, but also public relations; you could even call it a 'promotion'. It certainly worked: the chairman of Mercedes Benz was interested enough to send in his favourite quote. Would he have read a Hewlett-Packard ad with as much interest?

Just about every company engages in direct marketing of one sort or another. There can be hardly anyone who at some time or another doesn't make a phone call or send out a letter with the hope of making a sale. Many individual initiatives employ a direct approach. A typical example would be the salesman making telephone calls to find good prospects. If you have ever tried to control salesmen as I have then you know that this is best done in an organised way. This means you should start looking at it in an organised fashion. Looking at it as marketing – direct marketing.

The same applies in other cases. If you have a restaurant and you make the wise decision to collect the names of your customers in order to write to them with news of special gourmet evenings or you are a manufacturer of earth-moving equipment and you decide to send out a regular newsletter, then you have entered the direct marketing business whether you know it or not.

Some businesses are entirely based upon direct marketing – *Reader's Digest*, Time-Life Books, or the mail order catalogue companies are specific examples. Other businesses largely depend upon direct marketing. And yet others, I believe, ought to be practising it a great deal better than they do. Let's take some obvious examples.

Credit and charge card companies

Everything done directly

When you think about it, almost every transaction, starting with the way in which these cards are applied for, is effectively direct marketing. Take American Express. Almost every single cardmember recruited comes in through direct marketing. Either the prospect picks up a take-one – a little leaflet in a restaurant or retail store – and sends it in to apply, responds to a direct mail shot or advertisement, or uses the telephone to apply after watching a TV commercial.

The transaction is then consummated through the mail, and the relationship between cardmember and company is then conducted almost entirely through the mail or on the telephone. Cardmembers are made offers and accept them through the means of direct mail shots and regular communications within their monthly statements. They are then persuaded to renew their membership or to switch from 'Green Card' membership to 'Gold Card' membership, and perhaps to 'Platinum Card' membership. All by means of direct marketing.

Short-sighted bosses

Indeed, the only time when a cardmember is likely to transact any business with American Express in any other way than via direct marketing is when perhaps booking travel or getting travellers cheques, cash or advice from a travel office. Yet I wonder to what extent the marketing executives of the

credit card or charge card companies appreciate just how important effective direct marketing is to them. Certainly the top brass in such organisations are usually far more interested in the latest television commercials than in the direct marketing which brings in their business and maintains it.

Banks

A second example from the financial area. There is no question at all that most of them are only now realising what a valuable role direct marketing could play for them. Research repeatedly shows that most customers of UK banks have no *personal* contact with anybody at their bank (let alone their manager), nor do they wish to. The entire relationship is conducted largely through the post and cash machines.

**No personal
contact
wanted**

But how many banks, I wonder, appreciate the degree to which they could benefit from direct marketing? Of course they're all *doing* it; but how well, with what conviction, and how much intellectual and financial resource are they putting behind it? Significantly, one UK bank – the Midland – has prospered by creating one arm, First Direct Bank, which only deals direct and has no branches. Others have copied this. Even more significantly, research seems to suggest that customers, once they have tried this 24-hour service, prefer it by far to alternatives they may be continuing to use.

Hardly surprising. Who looks forward to visiting a bank? Or meeting a manager? Let alone asking for an overdraft.

Insurance, investment and home loans

Almost any financial business will find direct marketing of value. A principal reason is, perhaps, that customers feel more at ease with printed material (which they can read and reread at leisure) than they do with relatively complex (and sometimes worrying) propositions put to them face-to-face. Few senior managers are sufficiently aware of the potential direct marketing offers, though all know it is important to them.

**Complex
deals
simplified**

Direct Line Insurance, a subsidiary of the Royal Bank of Scotland, provided three-quarters of that bank's profits in 1992 – and their Chief Executive earned over £6 million, making him the best paid man in Britain during that year of dreadful recession. In 1993 he did even better.

Other industries which have always depended for their success to a large extent on direct communications do not, I think, always appreciate they are really direct marketers.

Travel

The travel business is typical. In 1962 when I became a creative director, three of my biggest clients were in travel: two countries, Greece and Britain, and one

tour operator. Here is another business which revolves to a very great degree around direct marketing, until the awful moment that the customer discovers that the phrase ‘overlooking the sea’ in the brochure has a degree of credibility that varies according to your eyesight. For instance, millions of brochures are distributed each year through direct advertising; flights and holidays are sold through last-minute offers. But only a limited number of companies go on to establish and build a real relationship with the customer.

A longer view

Because people think very much in the short term, and very narrowly, about direct marketing, many consider it only in the context of making an immediate sale. But sound direct marketing requires you to take a longer view.

One of the many characteristics of this business which delights me is that although it is hailed on all sides as something new, so many of the activities conducted are not new at all. For instance, buttering up the customer.

In the United States the Ford Motor Company once calculated that a customer’s value to them if they could sell that customer their first car and every other car in their lives, would be \$120,000. Accordingly, they are very interested in direct marketing and its possibilities.

A couple of years ago the Lincoln Mercury Division of Ford started spending a significant budget on direct marketing activities. Their objective was to build a direct relationship with potential purchasers over a period of time so that they eventually chose Mercury, then could be ‘traded-up’ over a period to Lincoln. To achieve this, the first mailing sent to likely prospects simply incorporated a beautiful portfolio featuring pictures by well known photographers of the new Lincoln Mercury range. No request was made to buy anything. The mailing was, so to speak, a courtesy – a sort of commercial love letter.

The use of questionnaires

The next stage was to inquire whether the prospect liked the pictures and would – as a courtesy in return – complete a questionnaire giving details of future requirements, likes and dislikes. This, of course, led to a series of mailings designed ultimately to make a sale.

The value of a customer

Quite clearly, if you ask somebody enough about their car-buying intentions you should be able to match their needs pretty precisely. Equally clearly, when you are talking about high-ticket items like this, if you know what the value of a customer is to you, you can afford to invest quite a lot of money in building up a relationship with them (or, as I put it, buttering them up) with the intention of making a long-term substantial gain.

And you certainly need to think long term in many cases. You need to be very patient if you are, for instance, trying to sell a mainframe computer, or a new telephone system. Those are not snap decisions for any company. But direct marketing is often critical: research by Ogilvy & Mather Direct, New York, in 1986 showed that 20 per cent of businessmen surveyed had bought a

mainframe computer in the previous year as a result of an initial direct marketing approach.

THE THREE GRACES OF DIRECT MARKETING

What is the purpose of direct marketing? In my view, it is quite simply: **to isolate your prospects and customers as individuals and build a continuing relationship with them – to their greater benefit and your greater profit.**

You can break this purpose down into three parts, which I call the Three Graces of direct marketing.

First of all, when you isolate someone as an *individual* this automatically implies that you discover what differentiates them from other individuals. What are their peculiar characteristics? And by speaking to them as individuals, using the knowledge you acquire about them and their relationship with you, you will be able to make appeals which are far more convincing to them. You can do this by placing that knowledge on a computer database.

The second Grace: you can build a *continuing* relationship with these people by offering them services and products which your knowledge of them tells you are likely to appeal. This will bind them to you for a longer period. And since in most commercial activity your most expensive activity is recruiting the customer, the longer you can keep that customer, the better.

I'm not suggesting to you that in all direct marketing a continuing relationship is built up. But I am suggesting that in *almost* every case the possibility is there, if you wish to take advantage of it. And clearly, long-term business based upon making and keeping a customer depends upon building this relationship.

When first I entered the mail order business, as it was then known, I imagined that what one did was to run an advertisement, sell the goods, and retire after a few insertions. Ignorance was bliss. The truth is that hardly any business depends on one transaction. Direct marketing may have its own peculiarities, but the principles are much the same as those that operate in any other business. If you are a shopkeeper or a salesman or a manufacturer it is very rare for profits to be made on one transaction unless yours is a short-term business, like selling London Bridge to tourists.

The first time you encounter the customer, you are learning about him or her. Likes, dislikes, peculiarities – working out what you can sell next: what other service you can render. It is with the subsequent sales that you make the gravy. You begin to know and understand your customer. You establish a relationship. That is good business.

So it is with direct marketing. Your best customer is not your unknown prospect in the street, milling around amongst others. He is the person you know, who knows you. You can offer precisely what he needs, and sell to him much more easily.

What makes each customer different?

Build a continuing relationship

My first inkling of the fact that it was a continuing relationship that mattered in this business came over 20 years ago when I saw an advertisement in a newspaper. It said: 'Publisher seeks advertising agency to help in losing money.' This publisher knew he had to invest in acquiring names before he could make money.

Obviously if you understand this need for investment, this need to build a continuing relationship, you have an immense advantage over those who don't. What is more, by building this relationship you can study how your customers behave over a period of time: discover which offers which individuals respond to. In this way, you can establish the value of an individual to you over the 'lifetime' of that individual's relationship with your company.

For example, a few years ago one of my clients told me that each new name they recruit from a particular type of offer generates £12 worth of gross profit over the ensuing three years. Another company (one of the largest in Europe) is happy to wait for over two years before making a profit from a name they've recruited. These companies know there are no quick killings in direct marketing, only *suicides* by those who don't understand the vital principles that govern success.

Test to see what works

The third Grace is the one which often has the most obvious allure to the virgin direct marketer. And that's the ability to *test*. To measure the response from particular individuals to particular messages at particular times. You can find out what works and what doesn't. Moreover, having done so you can conduct further tests and constantly improve the effectiveness of your activities. You can spend your money where it does the most good.

It will not have escaped your notice that these Three Graces fit in extremely well with a couple of the expert views I gave earlier in this chapter. Direct marketing is a splendid way of making and keeping a customer, as prescribed by Theodore Levitt. And, properly conducted, it enables you to get quite close to the aim of marketing as proposed by Peter Drucker. If you have enough knowledge about somebody on your database, you can approach that wonderful situation where the product fits the customer and sells itself.

Those are important reasons why direct marketing is growing. I would now like to explore some others, to do with the nature of our society and with changes in technology.

HOW YOUR CUSTOMER IS CHANGING

Let us return to those customers you want to make and keep. Obviously, your success revolves around how well you respond to their needs and their desires. Professional marketers tend to look at customers in a way which dehumanises them. You've probably heard this sort of thing: 'The target market is B1/C2 housewives aged 24–45 in the South West, living in owner occupied properties, etc.'

Sometimes they enlist the aid of psychology to analyse their customers: 'The target market is inner-directed, upwardly mobile, tends to fantasize about her need for ... etc, etc.' These are all attempts to group people into different categories so that you can speak to them more effectively.

Such laudable efforts to group people are one reaction to the way your customers have changed over the last 30-odd years. When I first came into the advertising business, groupings didn't matter nearly as much. If you wanted to get people to come and try your baked beans, it was pleasingly simple. You ran a commercial on a Friday night and people trooped in obediently to the supermarket and bought the product the next day. It's true.

That's because in those days, the family sat around the television set watching *Coronation Street* as a group and they *all* liked baked beans. What has happened to the humble baked bean in tomato sauce since then is paralleled by what has happened to the family.

You can now get beans in chilli sauce, curry sauce, low-calorie sauce, with pork sausages, etc. And the people who eat those beans no longer sit together round the television set on a Friday night. The power of the mass media is diminishing as people start to act more and more like individuals.

A while ago, the chief executive of a large US advertising agency lamented the splintering of viewing patterns. In the early 1960s, if you wanted to reach the American public, you would find around 90 per cent watching prime-time TV on the big three networks at the weekend. Today, only around 60 per cent watch those same channels at the same prime time. And the percentage continues to fall.

Another striking indication of changing trends is this: the largest household category in the UK today is the single person household – a change due to higher divorce rates and young people setting up home on their own earlier.

Research a few years ago by the Henley Centre for Forecasting revealed that today the family is more likely to be together when it goes *out* to a restaurant than when it stays *in* at home. The Henley Centre gives two reasons for this: first, the rise of central heating, which means the family doesn't have to stay huddled in one room in front of the fire keeping warm. Second, the increase in, and lower cost of, various gadgets and entertainment devices which people can occupy themselves with individually.

Take my own family. When everyone is at home, I read in my study; one child may play a video game on television; a second might be riding; a third practising the piano; while my wife might be putting our household expenses on our home-computer database, if it were not so depressing.

In fact, there are many ways in which you can see people are much more individualistic. Simply study styles of dress. People were far more conformist 40 or 50 years ago than they are now. And the interesting thing to me is that wherever I go in the world – even extremely conservative societies in the East – there seems to be some trend towards individualism. In any case, no matter how conformist a society, I think you will agree your customers are not

**The waning
power of
mass media**

**People
conform less**

statistics: they are human beings. Thus, isolating them as individuals and approaching them as individuals is bound to make a lot of sense.

Interestingly enough, you can take the same question of handling people as individuals and look at it in an historical context to arrive at the same conclusions. (And I must admit that here I am shamelessly plagiarising a speech by Lester Wunderman a few years ago on this subject.)

Two hundred years ago almost all relationships between manufacturers and customers were very simple. The manufacturer of the product also sold the product to the customer. The shoemaker made the shoes and sold them to you face to face – as did the tailor, or the carriage maker.

This form of selling enables the manufacturer to have a warm, personal, direct relationship with the buyer, and also to know a lot about the buyer's personal requirements. In some businesses this is still true. And in many parts of the world where industrialisation has not yet penetrated, many relationships remain like this.

The impact of technology

However, in the nineteenth century the second stage of marketing was developed. New technology made mass production possible. In 'advanced' countries such as those in Western Europe, the small manufacturer was lucky to survive. And the chain of distribution changed. Manufacturers sold via wholesalers and retailers, indirectly.

Fortunately for the manufacturer, the same technology led to new printing machinery which made mass advertising possible. Millions of identical messages could be addressed by the manufacturer to the ultimate consumer. However, the personal relationship the individual merchant had with his customers was lost.

Personal impact plus mass power

Direct marketing inaugurates the third stage of marketing. Its rise is due to many factors, but one major reason is the new ability to personalise messages to people – via the telephone, for example, and also through printed material. Now, thanks to the database which tells you all about your customers' needs, you can renew that direct personal link you began to lose 150 years ago. Now you can add the impact of *personal* selling to the power of *mass* communication. You have the best of both worlds. For instance, when you link your 'theme' advertising, which creates an appealing image, to specific direct offers on TV or through the mail, a powerful synergy is created.

Orchestrate your messages

In research conducted in 1985, it was discovered that where a direct mail shot featured a scene from a television commercial for a particular airline, awareness of that television commercial as long as four months later was nearly 50 per cent higher amongst those who had received the mail shot than amongst a similar panel who had not received it.

The important point must be made that companies tend to look at their marketing activities very much from an internal point of view. By some curious process they seem to relate it to their own organisation chart. This is below the line; this is above the line; this is sales promotion; this is public relations, and so

on. But your customers don't see it that way. To them it is all news or information or offers from a particular company. This in itself is a powerful argument for making sure all these things are planned together: a process Ogilvy & Mather calls 'orchestration'.

CONTROLLABILITY: AN IMPORTANT BENEFIT

In a world where it is increasingly difficult to control anything, direct marketing makes a considerable appeal because when properly conducted it is very controllable, compared to less disciplined marketing activities.

First, the *content* and *timing* of your selling messages can be controlled. Second, the *costs* can be controlled, and the *results* predicted.

You may instantly respond: 'Well this is largely true of advertising, or sales promotion.' And, of course, it is – but I am referring here in particular to ways of talking to individuals and of predicting the results. Whether you have salesmen talking to prospects or clerks talking to customers, you are stuck with one problem: you can't control what they say, the order they say it in, the way they say it, or the way their personalities affect how the message is received. You're not really in control. With direct marketing, you *are* in control. Every message goes out as you want it to:

**Greater
control**

- using the style of language you think suits your company and your market;
- in the order you've determined is best calculated to sell;
- in the typeface you select, with the design you think reflects your image best;
- at the time you want it to ... when you've learned it will get the maximum response;
- even a phone call will be handled by your phone communicator just as your script lays down.

Your messages are uniform and go out in predetermined numbers to precisely targeted groups. They produce responses that can be measured. This leads to the second major benefit: that you can predict future responses and thus how much money you need to achieve a given result. This is rarely the case with some other methods of promotion.

Cut down the risk

All human enterprise involves risk. You're at risk from the minute you get up in the morning. The question is, how much risk do you find acceptable?

Some businesses, by their very nature, involve more risk than others. Either your likelihood of success is very remote or your volume of investment is unacceptably high; often both. But in almost all cases you have to commit yourself to a great deal before you are sure what the outcome is likely to be. Look at the retail business.

The risks of setting up a business

If you want to open a shop, no matter how small, you have to commit yourself to quite a lot in advance. Obviously you will think very carefully and compare what others are doing before you go ahead. But whatever you decide, you will have to find an appropriate site, rent the premises, fit them out and buy stock. Then, of course, you'll have to find staff. If the shop is at all large, that will involve advertising costs.

All this before you take a penny.

If you've chosen the wrong site, or the wrong merchandise, or given your shop an unappealing name, you could be in trouble. Or suppose you have decided to sell high-priced merchandise at a time or in an area where people are looking for bargains: you could equally fail.

You could find yourself with unsold stock on your hands, stock you know from bitter experience is hard to sell. You'll have a lease to dispose of, staff to pay off, bills to settle which the gross profits haven't covered.

Let's take another area: what if you want to enter manufacturing? Once again, profit margins are low, and investment high. Before you know where you are you will have laid out a great deal of money. You have to rent or buy your factory, buy machinery and raw materials and hire staff, just as the shopkeeper did. But you are, if anything, even less in control of your destiny than that shopkeeper. For between you and your eventual customer there may stand wholesaler, retailers, salesmen, or maybe manufacturer's agents. (A good reason for selling direct, by the way.)

Will all these intermediaries share your enthusiasm for your product? Will they communicate it to the consumer with the zeal you would have? Will they promote, advertise and sell it vigorously? Or will *you* have to?

If you have not chosen the right product you could fail; even supposing you have, if others do not share your belief in it the results could be just as bad. Except that in addition to the shopkeeper's problems you will have machinery to dispose of.

The point is simple. Few businesses offer much guarantee of success before you invest your money. The risk is high largely because you don't *control* the situation enough. But direct marketing allows you to *test* how people feel about your product and offer and price.

Most businessmen get ulcers because the level of risk frightens them; they can't control what's happening. Being a devout coward, I like the idea of limiting risk. And when Peter Drucker observes that 'The first objective of marketing is to avoid making a loss', then I feel confirmed in my judgement.

Although I do not feel that the ability to test is necessarily *the* most important of the Three Graces I cited earlier, I believe the control and predictability testing can give your business activities must be one of the main justifications for direct marketing. This is true even if you only use it at the start of a venture to find out what's likely to work and what isn't.

Mythical versus real economies

Do not be misled by the belief that the chief reason for doing business this way is because it allows economies by cutting out middlemen. You may cut out the middleman very often. Your customers may therefore think they are getting better value – which they may be. You may as a result make greater profits.

But under many circumstances, you will *not* cut out the middleman. Suppose you are an insurance firm trying to help your agents, or brokers, or salesmen by putting together a direct marketing programme for them. Or you are a motor car company trying to help your dealers. Under those circumstances, you are not cutting out any middlemen: what you *are* doing (which is just as important) is using a form of marketing which will make your representatives' jobs easier by giving information to these prospects and customers. You will also learn more about these customers' needs from the data you may acquire about them, either directly or from research.

What I am saying is that this way of marketing does not necessarily mean lower costs of distribution. It can often simply mean that those costs are distributed differently. What it should always mean, in my experience, is that you can deliver a better service to your customer.

No: the real economies lie in the elimination of waste – what I call 'junk marketing'. In squandering money speaking to everybody, when you only need to speak to somebody. And this, of course, revolves around isolating the right individuals and speaking to them at the right times about the things you have learned interest them.

Why direct marketing makes sense to customers

GIVING YOUR CUSTOMER A BETTER SERVICE

One of the world's most successful direct marketing companies in the world is Time-Life Books. Their founder, Jerome S Hardy, called his staff together at the outset of the business and said something which I think bears repeating a few times: 'We are going to give our customers a service better than they have any right to expect.'

This contrasts vividly with the way marketing functionaries of well known companies have started announcing – with the air of people who have just discovered the Holy Grail – that they are about to be responsive to their customers' needs. It's extraordinary, isn't it? Some of these organisations have become so fat that they forget what they are there for. Where did they think their money was coming from in the first place? Their customers, of course.

It's worth examining here some of the reasons why customers find direct marketing makes sense for them.

Perhaps the major one is that it suits them to receive information or to make purchases directly from the vendor. It's often both convenient and pleasant to sit in your own home and choose at leisure from a catalogue. You don't have to get in your car or on the bus and go into town, find the right store,

**Making
information
easy to
digest**

and the right department, and sometimes hunt down an assistant to tell you what you want to know.

Many people also resent spending time listening to people talk about things that could be presented to them just as easily in writing. Direct mail in particular is very good at conveying complex information in a structured and easily digestible form – something people often seem unable to do. This is particularly true in business. Too often it is forgotten that the businessman is not a special breed: he is a *consumer* when he is at home – and he doesn't grow a second head on his way to the office. Not surprisingly, we don't like salesmen at work any more than we do at home.

I discovered when working for IBM Direct that if businesses were buying a typewriter, for instance, they were perfectly happy to buy it through the post. It was more convenient than wasting time talking to a salesman. Similarly, research conducted in 1986 revealed that the majority of prospects prefer to receive information about new office products not through advertising or salespeople (the most common means) but via direct mail. And they wish to inquire through the most convenient medium: the telephone.

When we were examining possible pension plans for our company, I had to spend endless hours listening to presentations from salesmen. It was time I could spare only with difficulty. And none of these salesmen had clearly written explanatory material which I could have read in order to make the right decision. Probably nobody could have closed the deal without a personal presentation. But a lead could have been solicited and the initial selling done through the post.

**Saying more
than a shop
assistant can**

Even in advertisements, direct marketers can often do a better job than sales people. I recall a few years ago we ran an advertisement for a watch in a double page spread in a colour magazine. The ad was tightly packed with small type and many pictures. If you read through it, you ended up knowing more about that watch than any shop assistant could tell you – from the type of chip that was used to the ways you could use it to time sporting events.

As goods proliferate and become more and more technologically complex it's almost impossible for one relatively untrained shop assistant to understand all about every item he or she sells. But a skilled copywriter, given sufficient time, can write an infinitely detailed description of a product. A photographer can make it look good – maybe even *better* than it is (which may put up the number of people who ask for their money back!).

Other reasons why buying or dealing direct seems to work for the customer include the fact that some products may not easily be available through any other distribution channel. For instance, specialised products such as rare coins, gourmet foods and wines, collectibles, specialised sporting goods like horseriding tackle, do well.

**Satisfying
shy
customers**

In other instances, people prefer to deal direct quite simply because of embarrassment. This could be because of the nature of the product, or the customer. One of our clients used to sell a beauty course through the post, and we noticed that a significant proportion of the customers appeared to be gay.

People often feel embarrassed, too, about money: a good reason why loans through the post and other financial propositions have done very well – apart from the ones mentioned earlier in this chapter. And, of course, most of us are quite simply shy and don't like to deal with pushy salespeople. I am sure you have sometimes been approached by an aggressive salesperson in a store and walked out.

One reason which induces both marketer and customer to deal directly is *price*. Customers very often think they are going to get a better deal by buying direct; merchants often think they'll be able to cut their selling expenses for the same reason. As I have already explained, this is not really true. Nevertheless, it seems to be a powerful motivator.

In my view, direct marketing is growing quite simply because it is a wonderful way of serving your customer better. It is quite clear that if you can understand that customer and their motivations better, you'll be able to do a better job. You'll be able to build a really good relationship with that customer.

Three steps to success

I have an exceedingly simple view of what business and direct marketing are all about. I believe the object of business is to locate a *prospect*, make that prospect a *customer* and then turn that customer into a *friend*. The secret of success is to treat people in a way which matches the nature of the relationship. If you look at it this way, you'll be surprised how many apparently knotty problems can be resolved.

Let me give you two examples, covering questions which I have been asked often.

The first question is: how often should I communicate with my prospects or customers? This depends entirely upon how *friendly* you are with them. Would you communicate with a good friend, an established customer, just once a year? Or once every six months? I think not. On the other hand, would you communicate with somebody who was virtually a stranger, a prospect, every week? I think not.

I suggest that you would communicate with a friend as often as you had something interesting to say. Something you thought they might appreciate. Even if the person were a stranger, the same would apply, though they would be less interested in hearing from you; would be less likely to listen to what you had to say.

So the frequency of communication would depend upon the relationship. Which leads me to the second question people ask me: what should we say when we communicate?

Once again, the answer is: what would you say to a friend? Or to somebody who was just a bare acquaintance – a prospect, perhaps, whom you had only mailed once. The answer, of course, is you would spend your time thinking of things your friends, or your acquaintances, would like. You would

**How often
should you
communicate?**

**What
interests the
customer?**

spend your time thinking up appealing offers. News you thought they might find interesting. Things you thought would appeal to them as individuals, and you would try to talk to them at the right time.

In my view, if you did nothing else but devote your time to considering and answering those two questions, you would be a gloriously successful marketer. As an American millionaire once put it: 'Find out what people want and need, and give it to them – and you'll get rich.'

THE SPIRAL OF PROSPERITY

How much is a customer worth?

Of course, how often you communicate with someone and what you can offer has a lot to do with *money*. How much can you afford? To answer this question, you must ask another: how much is a customer worth? Or to put it another way: how much is it worth paying to recruit a new customer, and what will you gain from keeping that customer?

Each season you set a budget to mail, advertise or otherwise spend money to recruit a given number of new customers at a given cost. You are not merely trying to make sales, you are trying to make new customers, who will become friends – but only at a cost you can afford.

As you have seen, by testing you can produce more effective offers and messages. Thus you will either recruit the same number of customers for *less money* per name; or you can get a greater *number* of customers for the same investment; or, of course, your money could bring in a better *quality* of customer. You will be communicating regularly with these customers and, once again, testing will lead to better use of the database you have built up. You will be able to make it more profitable in three ways:

Ways to greater profit

- 1 You will find ways to segment the database and thus exploit it more effectively. You will not communicate so often to those less likely to buy, which will save you money. You will communicate more frequently with those who are your friends, as it were.
- 2 You will introduce new offers and new products likely to appeal to the individuals on your database – based on what you have learned about them – thus enabling you to communicate more frequently and make more profit.
- 3 You will also be testing new, more imaginative communications so as to get better responses to those offers you are making.

The magic number

You will see by looking at the little graphic below that all these activities begin and end with the individuals you recruit, and how much they are worth to you.

If you do all the things I have mentioned above, the answer to the question I posed earlier – how much is a customer worth? – will change.

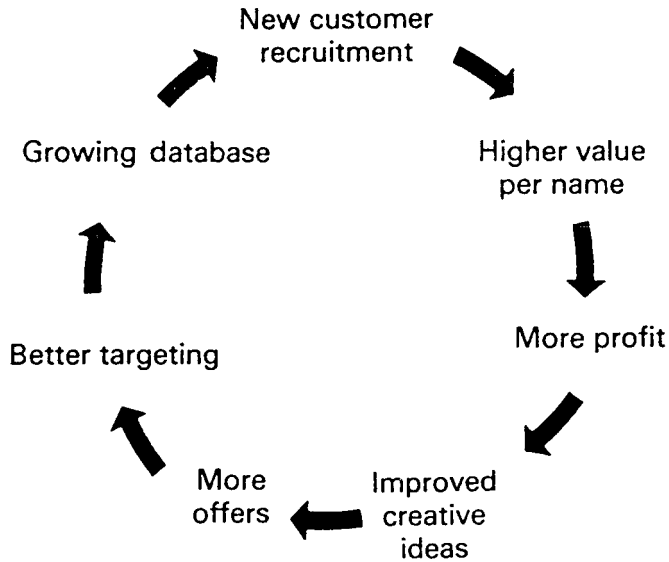


Figure 2.1 Spiral of prosperity

Customers will become more valuable to you the more carefully you consider them and cater to their needs. You will then be able to afford more money to isolate a new prospect and turn them into a customer. So, ideally, you would spend more money each year on acquiring new customers, conducting new tests, developing new offers, and so on.

Of course, the world of business is far from ideal. But only by following this logical sequence are you likely to be able to compete effectively with others. It will probably have already occurred to you that if you do so, and your competitor does not, *you* will be able to afford to put more money against customer recruitment than they will. You will ultimately succeed; they will ultimately fail. You will have a true competitive edge.

The figure you allocate to recruiting a particular customer has been called ‘the magic number’. Clearly, it is a number that can change as your marketing improves. And the different types of customer that you wish to recruit could have different magic numbers assigned to them.

So few businesses have *any* idea how much a customer is worth that this may appear to be getting overly sophisticated, but you might be surprised to see to what degree the value of a customer can vary, depending upon where that customer came from. Indeed, from a simple example you can see that unless you carefully keep track of the performance of somebody from the moment they enter into your net, you could make some serious mistakes. All prospects are by no means created equal.

Here is a series of three sets of results produced by advertisements run in America for somebody who was selling shoes direct to the public.

A greater competitive edge

Prospects are not created equal

Table 2.1 An account of the enquiries received

Publication	Unit	Cost \$	Enquiries	CPI \$	Enquiry Rank
<i>Nat Enquirer</i>	3 × 8	2,320	3,803	0.61	1
<i>New Woman</i>	Page	1,495	1,241	1.20	4
<i>Woman's Day</i>	1/3P	5,844	8,283	0.71	2
<i>Redbook</i>	Page & Card	21,068	28,191	0.75	3
<i>McCalls</i>	1/3P	5,781	2,622	2.20	5

After six months, the marketer was able to review the original enquiries to see who had become customers. Publications performed differently.

Table 2.2 How enquiries are converted into orders

Publication	Enquiry Rank	Fulfilled Enquiries	Fulfilment Cost	Cus- tomers	% Conversion	Conversion Rank
<i>Nat Enquirer</i>	1	3,172	1,691	362	11.4	4
<i>New Woman</i>	4	1,067	547	157	14.7	1
<i>Woman's Day</i>	2	6,968	3,637	881	12.6	2
<i>Redbook</i>	3	24,538	11,953	1,446	5.9	5
<i>McCalls</i>	5	2,265	1,149	226	11.7	3

Finally, the marketer made the most important analysis of all, looking at how much sales revenue had been generated compared with the cost of advertising and fulfilment. This 'Efficiency Rank' is the best yardstick of all.

Table 2.3 'The full picture'

Publication	Enquiry Rank	Con- version Rank \$	Average Order \$	Total Sales \$	Total Cost %	Cost To Revenue	Efficiency Rank
<i>Nat Enquirer</i>	1	4	53	19,025	5,406	28.4	1
<i>New Woman</i>	4	1	65	10,220	2,939	28.8	2
<i>Woman's Day</i>	2	2	51	44,624	12,987	29.1	3
<i>Redbook</i>	3	5	45	65,425	45,661	69.8	4
<i>McCalls</i>	5	3	51	13,633	10,429	76.5	5

As you can see in the first set of figures it appears that the publications used performed in a certain order. This set of figures simply takes account of the enquiries received.

The second set of figures takes into account how those enquiries converted into orders. And the third set of figures revealed how a year later simply going on the initial results would have been extremely misleading for this advertiser.

You may say that this is obvious, which it is once somebody has shown it to you. Nevertheless, one marketer who operates in most civilised countries around the world and is widely seen as extremely sophisticated, was, until relatively recently, unable to track the performance of customers based upon where those customers had originated in *any* market; and at the time I write is still unable to do so in most markets.

The importance of tracking the performance of an enquiry was brought home to me in a way I will never forget in the mid seventies when I elected to place virtually all the advertising money I had for a company I controlled in a particular medium which appeared, on the basis of enquiries, to be doing twice as well as any other. This was, to say the least, an unwise decision: the conversion rate was abysmal, the publication made me no money whatsoever, and eventually I had to close down what appeared to be a very promising business.

Where it fits in

Within companies people are so busy doing things the way they have always been done, or responding to head office, or engaging in the enjoyable minutiae of intramural squabbling, that – as I have already noted – they don't spend much time considering what they are in business for, or what their business is. Yet their customers seem to be very well aware of what's going on – because they're at the receiving end.

You only have to ask an audience about direct marketing, and many will immediately comment on the inserts in their monthly credit card statements. Or they will complain about the mountains of irrelevant tripe that come through their letterboxes or those maddening late night phone calls. So it may be that your customers are more aware than you are of what your business is all about. Certainly, they react in very different ways depending on the degree of care with which these messages have been prepared and targeted.

I believe you are more likely to use direct marketing well by understanding its role and purpose, on which I have expressed a view in this chapter. It is in some ways, I believe, the closest thing yet to perfect marketing if the description of the aim of marketing given by Drucker is a sound one. It is also an excellent way of adhering to Levitt's description that we should make and keep customers. Finally it quite simply makes good economic sense and helps you spend your money effectively and measure the results properly.

Measure at every stage

The closest thing yet to perfect marketing

So now that we have established what direct marketing is, why it is growing, where it fits into marketing and other related activities like advertising, let us consider more carefully where it fits into your business.

Direct Marketing Can Do More Than You Think

'A wise man makes more opportunities than he finds.'

Francis Bacon

In the first chapter I told you how infallible I thought myself 35 years ago when I had my first job as a creative director. Here is another story about my unparalleled sagacity as a young man.

One day, an American came into our agency to ask us to place advertisements for what at that time seemed an unusual – indeed unique – mail order product. He wanted to sell plots of land on a more or less deserted Caribbean island called Montserrat. The advertisement he had prepared consisted almost entirely of copy, the only illustration being a small, crude drawing of some palm trees. The copy was densely set in small type.

The proposition was that people should send through the post a substantial down payment in order to secure one of these plots, which he described (rather horribly, I thought) as 'Beachettes'.

He told us that the product had previously sold very well in America. I was called in as the bright young creative director and agency expert on mail order to give my view as to whether his advertisement would work. Americans, in their naïvety, might well be persuaded to fall for his approach but I was certain that the British, with their greater sophistication, would not. Particularly because the advertisement in question was being placed in that upper-class newspaper, *The Times*.

However, our new client was adamant. He was sure the ad would succeed. Since he was willing to put up the money in advance, we were quite happy to help him place it. In fact we even allowed him to use our own agency's address for the replies. This was hardly going to strain our resources,

**A humbling
lesson**

since I was certain there would be few. My education took yet another leap forward when the advertisement proved wildly successful.

WHAT CAN YOU SELL?

Baked beans and Bentleys

Apart from being unwarrantedly cocksure in my youth, I have always been very forgetful. For in the years since that early lesson from my American client, when asked what you could *not* sell through direct marketing I nevertheless always used to reply confidently that you couldn't sell very expensive products; nor could you sell very cheap products like, for instance, baked beans or Coca-Cola.

My reasoning was simple. With an expensive product, where people were being asked to send a large sum of money to someone they had never met, words and pictures could not possibly be persuasive enough to convince respondents that they ought to take the chance. Cheap products did not have enough margin in them to justify the overheads involved in selling direct. (For many years it was universally agreed by mail order experts that you had to have 200 per cent gross profit margin to be able to sell direct – and preferably much more.)

No doubt many people went away impressed by my expert opinion, always delivered with great conviction. I owe them all an apology. For, as the story I have just recounted indicates, right at the beginning of my career I had discovered you *could* use direct marketing to sell very expensive products. I had just forgotten about it – maybe because it didn't fit in with my theory. Rather more recently I have learned that even cheap packaged goods can also benefit from direct marketing.

In 1986 one of our clients – Comp-U-Card – sent out a mailing in conjunction with the Automobile Association offering discounts on motorcars. Two of the respondents purchased £87,000 Bentley Mulsanne Turbos. In the same year, Ogilvy & Mather Direct was able to help Pepsi Cola increase distribution and sales, largely by using mailings.

These two successes were due to factors I had not considered. First, it was possible to persuade people to buy Bentley Mulsanne Turbos through the post because they believed they would get what they were going to pay for. In this particular case they were confident of the quality of the Bentley motorcar; they were also sure that the world's oldest motoring organisation would never offer something it could not deliver.

The importance of the brand

This demonstrates something general advertisers have known for many years, which direct marketers have not always appreciated: the importance of the brand name.

Of course, in this particular mailing some basic direct marketing tenets were adhered to carefully. The mailing was a very full one; there were many convincing testimonials; every question the possible purchaser might ask, we tried to answer in advance. It was a fine example of the combination

of a powerful brand with effective direct marketing – a combination which is, in my view, likely to become more and more important in the future.

In the case of Pepsi Cola, once again, the brand was an important characteristic. Also critical was an intelligent contact strategy. The trade in the small Italian town involved were mailed twice to stock up, since Pepsi was about to embark upon a major consumer drive. They were offered incentives, including the chance to win a competition offering a video camera. Posters were used to alert the population to the offer, which was of a one-and-a-half-litre bottle of Pepsi, free. And consumers were mailed individually with the offer. The penetration of Pepsi within that particular market surged ahead dramatically. Since that time many packaged goods marketers have tried direct marketing; elsewhere in this book you will see examples of this.

But these and other cases have shown that in laying down the law about what could and could not be sold through direct marketing, I was consigning myself to the long list of experts who have proved themselves wrong over the years. The truth is that there are very few situations in which direct marketing cannot help you. As I have already suggested, you must first understand what it is. Second, you must understand how and where it can play a role in your business. And third, you must be equipped to recognise the right opportunities and problems as they come up.

**An intelligent
contact
strategy**

THE ROLE OF DIRECT MARKETING

An American wag once observed that the world is divided into two types of people: those who believe the world is divided into two types of people and those who don't.

I confidently predict that you, dear reader, are one of two types. Either your company sells entirely by direct marketing: it's a 'pure' direct marketing company; or you have other means of distribution and selling, and view direct marketing as just another way of improving your business.

Having made this prediction, I now realise I may be one of those who do *not* believe the world is divided into two types of people, because I have already ignored something else you could be: not a marketer, but somebody who *advises* marketers – a consultant, or agent. Even in that case, you will undoubtedly find that in addition to whatever direct marketing can do for your clients, it can probably do a great deal for your own business.

Whatever your situation, my first piece of advice is that you carefully consider the two categories I mentioned originally. Are you (or your client) really a direct marketing company or are you not? What *should* you be? Have you looked carefully enough at the kind of company you are? How important is direct marketing to you? How much direct marketing are you already conducting? You can then determine what potential you have to improve your present activities and how much importance you should attach to direct

**How
important is
direct
marketing to
you?**

marketing itself within your business, quite apart from being able to find new areas in which it might work for you.

In short, I think you *must* establish where direct marketing does or should fit into your business. For this reason I have prepared the following list of seven points. I believe you will find it well worthwhile thinking about these when either reviewing the potential of direct marketing, or looking at the way you are using it now. Even if yours *is* a ‘pure’ direct marketing company you should find most of these points relevant.

1 What is your overall business objective?

What kind of firm are you?

Where and how can direct marketing contribute to its achievement?

Let’s say you’ve just entered a market in which there are several well established companies doing well. Your immediate objective is not to make money, but to build volume – to recruit as many new customers as possible at an acceptable cost – rather than to make a profit quickly.

If this is the case, your direct marketing activities probably ought to be skewed towards generating new customers (and being quite prepared to lose money in recruiting those new customers) rather than towards profiting as much as possible from the customers you’ve already got.

On the other hand, suppose you are a leading company in a mature market with very little room for growth. Under those circumstances you might decide your endeavours should rather be directed at your existing customers, profiting from them as much as possible by making frequent, attractive offers which will also help to make them stay with you longer and keep the competition out. (Incidentally, one of the major sins I often see is that of concentrating too much on recruiting new customers often at very high cost when more profit is likely to come from the existing customer base.)

For that matter, your business objective could be that you wish to go public in the next three years. If this is so, you may be wondering whether direct marketing could help you influence people in the City. Or you may feel that your business should be concentrating on quality control, in which case you would be very wise to consider a direct marketing programme aimed at your own employees to motivate them further.

The point is that until you consider the context in which you use – or are planning to use – direct marketing, you cannot deploy it properly.

2 What is your positioning?

The value of brand awareness

How do your customers see you? How do your competitors see you? Who do you think you are competing with?

I am going to talk more about positioning, but it’s very important to understand at the outset that the way you are perceived and your position in your market will determine much of your direct marketing. For instance, the

tone of voice you use when communicating with people, the frequency with which you communicate with them, and the types of offer you make to them. Indeed, everything – right down to the emphasis you place on your brand name in your communications.

While I was preparing this chapter, I came across two contrasting statements. One was from the marketing executive of a direct marketing insurance company called Lloyd's Life – an excellent name for anyone in a financial business. He revealed that despite repeated testing, he had never found his brand name did anything whatsoever to increase sales. This surprised me, until I looked up some research into the insurance field. Apparently consumers feel (perhaps rightly) that all insurance companies are much the same. There is very low brand awareness in this field.

On the same day, Bob Scott, founder of the Scotcade company (which introduced mail order to the more sophisticated classes in the UK in the 1970s by paying great attention to the look and tone of its advertisements) gave an opposite view. He believed heavy use of his brand name had increased his response rates by around 30 per cent. The respectability he had tried to imbue his company with, in a market where most of his competitors had rather tatty images, had obviously paid off.

An interesting point arises: if you were the insurance executive, would you not be wondering whether your communications could help give your company a good brand image in a market where nobody else has one? Would this not give you a tremendous advantage?

One UK company, Direct Line Insurance, obviously believe this. They have in their television advertising a modicum of wit unusual in this field.

Apart from what you do in your advertising, what else would be possible?

Well, for a start, you could improve what you offer. Perhaps you could offer your customers a series of helpful services. If you're selling life insurance, for instance, booklets on health. If you're selling car insurance, booklets on getting more out of your motoring, and so on. Like most of the things I say in this book, these are not startlingly original ideas – unless you compare them with what is being done at the moment.

Incidentally, adding *value* is among the smartest things you can do as a marketer. A series of research studies revelling in the acronym PIMS – Profit Impact of Marketing Strategies – has revealed how important this is. Three thousand companies in Europe and the United States take part in this programme which is designed to find out what effect marketing strategies have on profits.

One dramatic finding is that those companies perceived by customers as giving more value for money tend to be infinitely more profitable. In fact, within the study, the top 20 per cent of companies judged on this basis are on average almost exactly twice as profitable as the bottom 20 per cent.

What is one of the easiest ways to add value? Quite simply it is to *communicate*.

**The
importance
of value for
money**

Communication itself adds value

Communication under many circumstances is itself added value. You only have to recall waiting at an airport wondering when your flight is going to leave, without any information from the airline, to know that communication can add great value; it can sometimes be the only thing that matters.

3 What current marketing activities do you conduct?

How can direct marketing assist, complement or even replace what you already do?

Review your current business

Direct marketing is highly opportunistic – later on I will list many occasions where you can see opportunities and profit from them. But just because it is opportunistic, do not fall into the trap of simply taking advantage of opportunities as they arise. You need a plan. You need priorities. That means you must review what you are doing already.

For instance, here are three widely different opportunities you could take advantage of:

- Send a letter out to your employees offering them a special discount.
- Write to recent customers offering them the opportunity to enter a sweep-stake simply by sending for a catalogue (in the knowledge that most of them will think they are more likely to win if they buy something than not, and that in any case they may be enticed by some offer you are making in the catalogue).
- If you are a manufacturer, develop a telephone and direct mail programme to introduce your products to new retail outlets, thus freeing your sales force to develop closer contacts with your existing valuable retail customers.

Each of these ideas has merit. But unless you have looked at these proposals in the light of everything you are doing on the marketing front, you cannot evaluate them properly.

4 What should be the relationship between direct marketing and your other promotional activities?

Every message matters

As I've already pointed out, you cannot look at the effect of direct marketing in isolation. Your customers don't. *Every* communication from you adds to the picture they have of you. Every message you send out, through whatever discipline or medium, contributes to their perception of your brand or company, right down to the way your people answer the phone. Moreover, in many cases they may offer new channels of direct marketing opportunity.

If you sell packaged goods then what you do on the pack can be of prodigious importance. For a start, it can build lists of names. In many

markets, one neglected area is the use of on-pack material. Mattel runs a club for little girls, called the Barbie Friends Club in the UK. The cheapest source of names comes from the membership offer made on the pack. On another occasion my agency was able to build up a very useful database for a client by giving away leaflets at motor racing events.

You must consider the relationship between direct marketing and other channels of sales and distribution. For instance, should you list retail outlets, if you have them, on your mailings which sell direct? One client of mine found this was a very bad idea. People may have intended to go into the shops *or* reply directly – in the event many did neither.

If you've a sales force, unquestionably they may feel threatened by your direct marketing activities. As a consequence, many companies have given up any idea of direct marketing. The solution is to sell the concept of direct marketing to the sales force before you set out on a campaign.

In short, your concern to make sure all your activities work well together means you should review the possibilities of everything you already do and how direct marketing will affect what is already happening.

**Direct
marketing
and other
channels**

5 What is the state of your database?

Your database is the storehouse of knowledge you have about one of your most valuable assets: your customers.

Who controls it: administration or marketing? How do you see its role?

It is essential that it be controlled and run by people who clearly understand the long-term objectives of the business. In the past, company databases have been set up and run by administrators or finance people, for invoicing, paying wages and so forth.

When direct marketers attempted to move in, conflict often resulted. Those controlling the database were concerned to protect their territory. More to the point, having administrative backgrounds, they tended very often to have little sympathy with the marketer. Many direct marketers have roundly condemned the computer processing specialists and administrators as people of little imagination and no awareness of the real objectives of the business. They have dismissed them as bean counters.

This actually shows a lack of imagination amongst direct marketers. Some of the brightest people I have encountered in marketing have come up via computers or finance. Here again – just as with the sales force, mentioned in my last point – the answer is *education*.

If you are in the early stages of direct marketing in your company and are encountering problems, the first thing you have to do is create a direct marketing programme to your own people. It will not reap instant rewards, but it will be a fine long-term investment. In particular, explaining to corporate people how vital their role can be in marketing is time very well spent. This leads on to my next point.

**Who should
control the
database?**

**Direct
marketing to
your own
people**

6 Have you sold the concept of direct marketing within your organisation?

Is top management committed to it? If not, why not? If so, why?

When I first became involved with Ogilvy & Mather Direct, the relationship between the Ogilvy & Mather advertising agency in the UK and the direct agency was poor. The advertising people saw the direct folk as a bunch of amateurs. (I must admit, I had great sympathy with this view.) The direct people saw the generalists as people with an inflated sense of their own importance, being paid far too much money and lacking any understanding of what direct was trying to achieve. This, too, had truth in it.

My solution was to write to senior members of the general agency and ask them to attend a presentation to explain what we were doing. Most of them did, and this was the start of a fruitful relationship. The relationship can never be perfect but it became infinitely more cordial, though I fear there will always remain those unreconstructable individuals on both sides of the divide who are deaf to blandishments of any kind.

**'Champions'
are essential**

Direct marketing, to be successfully introduced in your business, needs *champions*. Champions with power. In this respect, nothing has changed since Columbus wandered round Europe trying to find somebody to sponsor him to go and discover the riches of the Indies. He had to find his Queen Isabella. So do you if you are trying to develop a direct marketing programme in an organisation. The people at the top – or at least one person of importance at the top – must believe in what you are trying to do. Otherwise endless frustration will result.

My agency experienced this when developing proposals for a large bank. One senior manager of that institution was behind us 100 per cent. We prepared a very long report which analysed in great depth how, where and why direct marketing should be used. Just after we delivered the report this executive was promoted to glory elsewhere. The report was never properly presented to his senior colleagues. We might just as well have saved our breath. No attention was paid to what we had said; a good relationship was never built up; a great opportunity was lost.

7 Where exactly should direct marketing fit into your organisation?

To whom should it report?

**The role of
direct
marketing**

People frequently see direct marketing (and most other things, to be honest) in a tactical way. They will perhaps feel that it should report as a function to whichever part of the organisation is likely to use it most. Thus in a large organisation selling to consumers, the direct marketing function may well be required to report to whoever is in charge of consumer marketing.

Yet, as we have seen, direct marketing can play a very important role when dealing with employees, shareholders, the trade, opinion formers – just about anyone.

I do not necessarily know what the right answer to this question is; it will depend upon your organisation. One thing is certain: it should be a question which must be asked and answered – carefully.

You will notice that throughout this book I do not claim to have the answers to every problem you might have to confront. But I do believe you will do better long term by starting with the right questions. The seven points I have just covered will, I hope, start you thinking about the role of direct marketing within your organisation.

Now let us look at objectives. What are direct marketers normally trying to achieve?

FIVE MAJOR OBJECTIVES OF DIRECT MARKETERS ...

Although we've looked at many ways in which direct marketing can be applied, you can break down all the activities I know of into five simple categories. You can ask people to:

**Actions, not
just feelings**

- 1 Buy through the post, over the phone, or off the TV set, either for cash or by quoting a credit card or account number. Here I include charity donations.
- 2 Ask for catalogues, or literature, or information which may come through the post, on the telephone or in the hands of salesmen (with or without the consumer's prior knowledge).
- 3 Request a demonstration either in the home, at work, or even at the seller's premises.
- 4 Visit a retail establishment, a film show or exhibition – or even a political or community event.
- 5 Take part in some action like joining a protest demonstration, or writing to an MP or some foreign power.

Notice that in all cases we are asking people to *do* something. Direct marketing is asking for action, whereas advertising is usually trying to influence thoughts and feelings. A critical distinction.

To reach your chosen objective, you can choose from a variety of routes. The possibilities and permutations are bewildering, but it is essential that you are aware of them all. A sale you could never make profitably in one step, for example, could be easily made if the product is broken down and sold in stages as a continuity product, or if the sale is made by asking for an enquiry and then following up repeatedly. Equally, a product you could not sell easily for cash might do very well if you offered it on free trial.

So let's look through the possibilities.

... AND FOUR WAYS TO ACHIEVE THEM

1 One-stage selling

When people use the words 'mail order' they usually think either of the bargain spaces in the weekend papers, glossy colour advertisements in the Sunday magazines, or those hard-sell advertisements that promise to change your life – or shape, or looks – overnight.

This kind of selling does not, in fact, represent the largest segment of the direct marketing industry. Indeed, as you've already gathered (if you didn't already know) any company that depends on this activity *alone* to make money is unlikely to prosper long. But the one-stage sell is a way you can establish the *initial* relationship with a customer (or, in the case of a political party or charity, a sympathiser).

The simplest form of direct marketing

Some one-stage selling – the least sophisticated form of direct marketing – is as simple as offering a product for sale in exchange for the full cash price, to be sent in advance of the goods being delivered. However, as you can appreciate, any way in which you can soften or delay the awful moment when the customer has to part with money tends to pay off. Nobody likes paying for anything; even less do they like sending money off to someone they have never met for something they have never actually experienced or held in their hands.

Thus one may offer:

- The Free Trial, where goods or services may be enjoyed on approval for a period before the buyer is committed.

Response leaps when you use this offer. You must, however, have a very efficient credit-checking system since in the UK, for example, in some cases as many as 50 per cent of replies can be bad debt risks.

Possible ways to sell

- The Sale on Credit where only a down-payment is demanded.

This is a method worth using if you have the necessary facilities. However, with the growth of charge and credit card usage it is becoming increasingly restricted to less wealthy markets.

As I have already indicated, for years it was widely imagined that no item above £10 could be sold *without* offering credit: my client selling land was a rare exception. However, the growing acceptance of direct marketing and the decline in the value of money means that this is no longer the case.

A high percentage – over 50 per cent of the revenue from an ad in an up-market medium like the *The Sunday Times* – may be through credit card payments.

- The Sale on Credit where no down-payment is demanded.

This is, of course, the easiest payment option of all for the customer and thus the method which will generate your greatest response.

Once again, if you have the credit-checking facilities and the financial resources to be able to afford to wait for your money, this can be the most profitable method of selling in the long run.

Significantly, many of the most successful direct marketers often use this method; eg *Reader's Digest* and the mail order catalogues.

- The conditional free trial where you may have to send all or part of the money before getting the goods, but you are not committed to buy until a certain period has elapsed.

This method was used by Joe Karbo to sell his book *The Lazy Man's Way to Get Rich*. He said he would not cash customers' cheques for 30 days, so they could be absolutely sure they were satisfied before being committed.

There is, in addition, of course:

- The sale by credit or charge card where any of the above four options may also be offered.

This is the easiest sale of all, because it's the *least* painful way for your customer to pay.

2 The continuity relationship

Since the best direct marketing builds a continuing relationship between the buyer and the seller, many marketers establish a contract with the respondent which has a continuing arrangement built in from the start. Typical are:

Longer-term relationships

- Insurance offers, where the initial application may lead to a ten or even twenty year contract.
- Loan offers, where people may be repaying for five years or longer.
- Mortgage offers, which also end up in a relationship over a number of years.
- Charity appeals or political appeals, where the group may solicit a covenant (and in the case of many charities, this relationship may last so long that the final payment will be after death, in a bequest).
- Credit card applications, where the relationship may endure for decades.
- Membership offers – such as those made by the Consumers' Association, or the Automobile Association – which may endure until death brings a merciful release.
- Club offers, where the respondent may be offered a very low price for a selection of books or records or even a free gift to start a collection of cookery cards, for example, and have to make a positive effort to extricate himself from the relationship.
- Collector's offers, where one starts with the first of a series of collectible items, and carries on through to the end, unless one wishes to cease.

Of course, exactly the same sort of financial offers you make to encourage a one-stage sale apply to a continuity sale. Thus, insurance companies selling

Free trial periods

direct often offer what they call in their quaint argot ‘a deviated first premium’. For instance, the first month’s premium may be free, or call for a payment of only £1. This, obviously, is a soft option for the prospect.

Equally, you can offer your prospect a free trial period of three months. Offering customers the opportunity to fill in a post-dated direct debit form in the advertisement or the order form will generally pay off. By the time it comes to cancel the mandate, the customer doesn’t bother. This is really a sophisticated variation of the technique I mentioned previously, used by Joe Karbo. It is really a free trial offer with a hidden pitfall. I introduced this (for the first time in the UK, I think) in 1969 for the Business Ideas Letter.

From your point of view a continuity relationship gives you a much greater margin with which to finance the original sale. Obviously, if you are making a single sale, then the margin to pay for the promotion has to be built into that one item. But when you know that over a period of time you may sell as many as 40 or 50 items, or receive payments over a period of years, you can afford to finance the initial sale to a greater degree – or, to put it another way, you can wait for quite a while to recoup the value of that investment. To give one relevant example, I recall that a few years ago, a major marketer of book series did not recover their investment in recruiting a customer until 48 months after the first transaction.

3 Multi-stage selling

Flexibility of a different sort governs the third category we are going to consider: multi-stage selling. When you make a one-stage sale, then once the prospect has either responded or not responded, that’s it. Either you’ve made money, or you’ve lost your chance to make money until the next time that reader sees your ad or mailing.

If you are merely going for an *inquiry*, then once that prospect has responded and you have his or her name on your database, you have an infinite number of opportunities to turn that inquiry into a sale. In fact, even if you don’t sell the product or service you originally offered, you can try and sell an alternative.

Moreover, a one-stage sale predetermines the way in which the respondent buys: either they react in the way you suggest at the price you quoted or they don’t. But multi-stage selling is much more flexible – and in one form or another is the area with the greatest potential for most businesses.

Suppose you generated an inquiry and followed it up with a letter and brochure. If those don’t produce a sale, there’s nothing to stop you following up with a phone call or a salesman. For that matter, if you followed up the inquiry with a salesman who did not succeed, there is no reason to believe that a letter later on may not achieve the desired effect. It’s worth remembering that to get that sale you can vary terms, reduce the price, or make a free trial offer

A flexible selling method

and further follow-ups. Indeed, you can keep contacting that prospect for as long as it is economically worthwhile for you.

Financially, the implications are simple. Once you have paid your entrance fee – ie paid for the inquiry – you can keep on ‘milking’ it until the cost of doing so exceeds the marginal profits. To take a simple example: when I was handling the marketing for the Bullworker, we used to send out up to *nine* follow-up mailings.

And like so many other simple examples in the consumer market this principle applies to the business-to-business market. If you are trying to sell an expensive piece of office equipment with a great deal of margin built in, once you have that original inquiry put onto your database, you can keep on exploiting it many times, in many different ways. The diagram entitled ‘The Mill’, shown on page 49, shows you how this process can take place.

Let us therefore look at some simple multi-stage operations:

Multi-stage variations

- Sales follow-ups, where information about a product is advertised, information is sent out and a salesman follows up. Common examples in the consumer field are double glazing and other home improvements; in business-to-business, computers, copying machines or laser printers would apply.
- Retail combination, where a product may be advertised in the press (or in a catalogue sent out by the store) and the respondent may go into the store rather than buy direct.
- Catalogue offers, which may be divided into those where:
 - the prospect sends for a catalogue to buy things from;
 - the prospect sends for a catalogue for which he or she may become an agent, deriving commission (savings);
 - the prospect buys and is later offered the chance of becoming an agent.
- Agent’s offers, other than the ones outlined above, where the agent will represent a given line of products and may or may not have to buy the merchandise in advance, with or without a guarantee of money back if the goods are not sold successfully.
- Recruitment, where the respondent replies to an ad, gets information and then goes for an interview (as with the armed services) or may go directly to an interview.

As in so many other areas of business, some of these categories merge into each other. For instance, Avon recruits ladies who become spare time agents. The company also has a permanent sales force which ‘runs’ the sales ladies in given areas.

In December 1984, Avon’s business in Germany was not doing very well. How could direct marketing revitalise it?

Among the major problems were insufficient new Avon ladies; lack of motivation amongst the new recruits; and not enough time and effort from the

How Avon recruited new staff

area sales force devoted to handling and motivating these ladies. The reason was that the area salespeople were so worried about trying to find new ladies. Each year, for every twelve they hired they would lose two. The solution, quite simply, was to *motivate* the new ladies. They were written letters when they joined and welcomed to the organisation. They were congratulated on their individual achievements, all of which could be monitored through the database.

But how could new ladies be recruited? The answer was to run advertisements in the form of questionnaires – I have provided an example of one of these in the plates section of this book. These were based upon what was discovered through database and research about the nature of the perfect Avon lady. Depending on the answers to the questionnaires, the respondents were handled in two different ways.

Those who did *not* fit in with the profile of a good Avon lady were simply given a free gift and thanked for their interest, together with news of what had emerged from the quiz they had replied to. Those who *did* sound like perfect Avon ladies were written to and told that they would do extremely well with the company, and that they should go to their local area representative and collect a free gift. At the same time, a computer profile of the lady was sent to the local area representative who was then able to deal more effectively with her new recruit.

This project, which was devised by Ogilvy & Mather Direct's Frankfurt office, was particularly interesting to me. It used original thinking to create and utilise a database containing details of both the potential new recruit and the existing sales representative, leading to an intelligent personalised approach. A few years ago it would have been difficult to have accomplished anything like this. Technology has made the difference.

Finally, two more multi-stage operations:

- Franchise offers, where the respondent sends for details, meets the company or its representative, and may end up going into business with them.
- Sequence selling. There are many cases where you can afford to be quite patient in getting a sale. You can afford to try and mould people's opinions about your product or service before actually going in for the kill.

The simplest form of sequence probably would be where you send out an advance mailing or make a telephone call to say you are going to make a very generous offer to someone; you then make the offer; and then you may follow up with another call or mailing to remind people to take advantage of the opportunity before it lapses.

Start by influencing opinion

In some cases you may find it worthwhile to send out a series of newsletters or regular mailings which are intended to inform, educate and persuade people of the virtues of your product or service – or, for that matter, your company.

Earlier I gave an example where Ford in America send out a long series of mailings of which the earlier ones are not looking for a sale, but

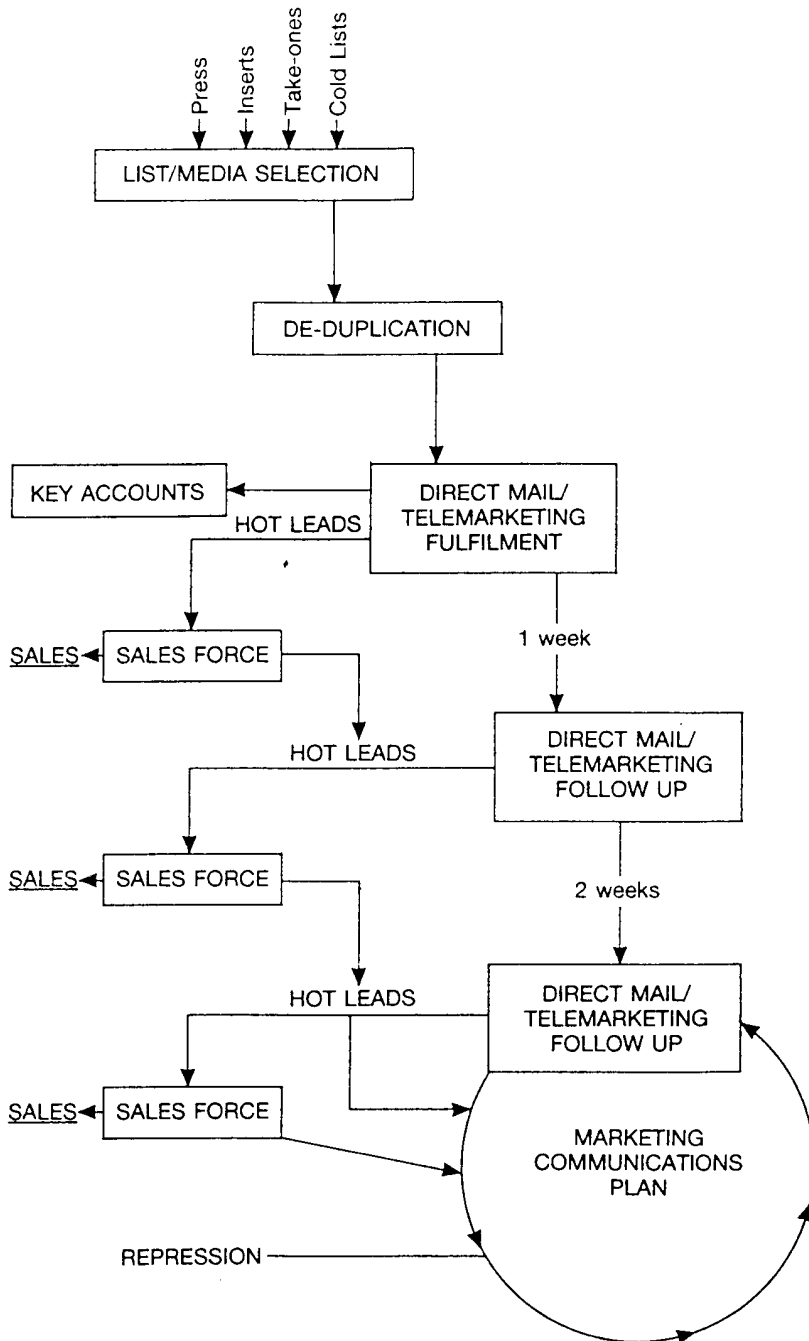


Figure 3.1 'The Mill'

My colleague Melanie Howard developed this diagram to demonstrate to Rank Xerox how leads could be managed properly. They were using salesmen, but entirely the same principle would apply if you were using direct mail and the telephone.

designed to build an opinion which will lead to one. This is similar in thinking to an advertising campaign. You are building a preference over a period of time but at the same time ensuring you are ready to make a sale at the right moment. If it takes two years on average from the time when somebody buys a new car to the time when they buy another one, then you can stage a series of communications to keep them loyal to your brand, making sure that you frequently recheck when they are actually going to buy – since people's decisions are often affected by changing circumstances.

This sort of approach is also particularly appropriate for a profession like accountancy, the law or advertising. People do not wake up every morning and decide they need a new advertising agency or lawyer. You are simply trying to make sure that when they *do* have to make such a decision, they will choose in your favour.

4 Sales-promotion-linked opportunities

Many companies – perhaps most companies that are reasonably sophisticated – make offers of one kind or another which can with a little ingenuity be turned into direct marketing opportunities.

What they all have in common is that a list of names can be generated. Names can be very valuable, as I indicated when discussing the selling of Avon cosmetics. So if your company is engaged in any of the following activities, you have a direct marketing opportunity:

How to acquire names

- Competitions, where the respondent may or may not have to offer proof of purchase.
- Discounts and free offers, where a coupon may have to be redeemed at the store, or by post. These may be offered in advertisements; in the package, as with a cigarette pack; or on the back of the pack, as with sugar cartons.
- Self-liquidating offers, where a product may be offered cheaply as long as you prove you have purchased the brand.
- Direct offers of merchandise bearing the brand name, as with offers of Guinness sweaters, or Coca-Cola beachwear, or London Transport T-shirts.

In all these cases, either direct contact is involved, or it can be introduced. Thus, for instance, if you are running an advertisement which bears a redeemable coupon, then if you require that people give their name and address when redeeming that coupon you are able to capture a name and address.

My former partner, Glenmore Trenear-Harvey, worked on a number of sales promotions during his time in the advertising agency business. He often lamented, when he became a direct marketer, how it was the standard practice at that time to keep the names of promotion respondents until it was certain there would be no complaints about the offer, then throw them away. 'Like throwing money away,' he would say. 'But we never knew it.'

WHICH NAMES ARE BEST?

How can you put a value on the names you generate through the sources mentioned above?

The ideal person is somebody who has bought one of your branded products through the post. This is like getting a mail order buyer's name with the additional benefit that they are favourably disposed to your brand. As we shall see when discussing mailing lists, if a person is inclined to buy direct, this is a very valuable characteristic for you.

The ideal customer

On the other hand, somebody who is merely a competition respondent is not necessarily a mail order buyer by nature. He or she is merely someone who in exchange for an inducement will buy a particular product or brand. Whether without that inducement the purchase would be made, you don't know. This makes the quality of the name somewhat weaker when you wish to sell to them or communicate with them again.

In all the examples I have given you in this chapter, what is important is the establishing of a direct link between you and your prospect or customer, and the opportunity to exploit that link. How best to go about that is what our business is all about.

I hope the examples I have given you in this chapter have opened your minds somewhat to the almost limitless range of possibilities direct marketing offers. You have probably discovered though, as I have, that your mind is more often provoked by the prospect of solving some problem you face right now, or taking advantage of an opportunity you can already see. The next chapter, therefore, will deal in greater detail with particular instances where direct marketing makes good sense.



4

How to Get Started

'You can observe a lot just by watching.'

US baseball legend, Yogi Berra

**The same
principles
apply
everywhere**

As we've already discussed, your customers today are infinitely more demanding than they used to be. They want products and services that match their individual needs. They refuse to be categorised. They want to be in control. You have to try much harder to meet the needs of this new breed of customer.

I covered this earlier when talking about that exciting product, the baked bean. But if we look at an area as different as could be – financial services – we will see the same sort of thing applies.

Take insurance, for example. Where once there was just good old fashioned life insurance or life insurance with the option to invest, now special offers are made to different types of people: special terms for those who are over 50, or who don't smoke and – a bizarre reversal – death insurance, which is a policy to cover funeral expenses. Not so strange as it seems. Our English ancestors founded the old Cooperative Societies for working people to pay for funerals. And in some parts of the world today burial still represents a major expense which can cripple a family's finances.

You will certainly have noticed, also, that just as consumers are refusing to fit neatly into the categories arranged for them by marketers, those marketers are offering services which were traditionally seen as not in their province.

Once, if you wanted banking services, a bank was the place to go. On the other hand, if you wanted a mortgage, you went to a building society (or Savings & Loan as they call it in the US). If you wanted to invest in stocks and shares, then you went to your broker. And if you needed insurance you went to an insurance company.

Now what has happened? Your building society will provide much the same banking services as your bank – indeed, some have *become* banks. On the other hand, you can get a mortgage from your bank, or make investments through an insurance policy. And to add to the confusion, specialists have set up: there are companies that do nothing but offer mortgages. They have moved into the area once reserved for building societies. Some specialise by channel – on the Internet, for example.

It's increasingly hard to decide what's best for you. And I haven't even considered other complications resulting from the way some financial organisations are gobbling up others. Building societies and banks have bought up chains of estate agents (and sometimes sold them again because they know less about the business than they thought). And, of course, the credit card companies will make practically any sort of financial arrangement you care to mention. They'll lend you money, help you invest, arrange insurance for you and so forth. And why not?

This makes it rather difficult for anybody trying to establish a clear position in the financial services field. Where once it may have been sufficient to persuade customers you were the right bank by saying that you were 'The action bank', or 'The listening bank' – two British slogans – this is not all that persuasive when it comes to actually selling products or services. This is particularly true when you realise, as I did when looking at one British bank, that they offered over 270 different financial services of one kind or another. How on earth do you match the right service to the right customer? And how on earth do you explain the differences between all these services?

Take a typical instance. What if you are the Birmingham Midshires Building Society, trying to persuade me that I should stop letting my *bank* manage my money and let *you* do it? That is going to take a great deal more than a slogan. You will have to explain to me how your new Mastercharge Account not only gives me all the benefits of a bank account, but a great deal more. That requires a long, detailed communication directed to me personally, preferably based upon what you know about me. I choose this example because this organisation did write to me personally. But they knew hardly anything about me, and consequently weren't very successful.

There is a converse side. I may see no good reason to switch my banking to a building society. But when Lloyd's suggests to me that I should invest through it as opposed to a stockbroker, this makes sense to me. Stockbrokers aren't really interested in private individuals unless they have more than £100,000 to invest. And no stockbroker has taken the trouble to find out that I am in that happy position – which, of course, brings us back to building a database.

This lengthy preamble is quite simply to emphasise that changes in the way we buy and sell are making direct marketing a natural choice for buyers and for sellers. It doesn't just apply in the consumer field, it applies to businessmen with equal force.

It may have been quite easy a hundred years ago to explain to the average office manager why Watermans ink was better than Stephens ink. It

**How to
establish a
clear
position**

was even quite easy 50 years ago to explain the difference between a Remington typewriter and an Underwood typewriter. But just you try and explain in a 30-second television commercial why an Apple computer is better than an IBM. It's very hard, and this is one reason why such companies are turning to direct marketing, and why some of the more spectacular successes in recent years have been among companies like Dell Computers who use nothing but direct marketing.

Make DM work for you

In this chapter, I am going to examine in greater detail how direct marketing can work for you – or play a more effective role if you are already employing it. To do so, I shall take some typical marketing problems and opportunities. I'll be very surprised if at least one is not relevant to your own business.

DOES YOUR BUSINESS HAVE A CONTINUING RELATIONSHIP BUILT IN?

Some years ago I went to see a client to persuade them to appoint us as their direct marketing agency. I had a slight problem, which was that they were not in the direct marketing business and had no desire to get into it. This was not surprising, because they didn't even know what direct marketing was.

However, they did have an excellent catalogue, offered to customers who came to their stores. Thinking about the possibilities this catalogue offered led to a sequence of activities which will give you some insight into the possibilities once you start thinking seriously about direct marketing.

How a retailer succeeded

- Instead of waiting for people to come to the stores so we could give them a catalogue, we started offering the catalogue in all their advertisements. The replies to these offers from the various media enabled us to discover which media were doing well for them. This confirmed what research had already suggested: their customers were more upmarket than the average. This in turn enabled us to adapt the tone of their communications and improve the targeting of their direct mail.
- We ran advertisements which invited people to come in directly to their nearest store and take advantage of a bargain offer. At the store we collected their names and communicated with them later.
- Mailings to existing customers went out launching a new product. As many as 10 per cent of all customers came into a store in response to one of these mailings – and many more over a period of time.
- By studying the kinds of areas where most of their customers lived around particular stores, we could target door drops surrounding prospective new stores to encourage people to come in.
- Letters went out to the company's shareholders offering them special discounts on the company's products, thus strengthening the link between the company and that important group.

- Regular letters went out to employees telling them of the progress of the company, thanking them for their efforts and asking them to make greater efforts still.
- We applied our knowledge of what works in direct marketing to their recruitment advertising – the effectiveness of which determines the success of *any* business, because good people are the lifeblood of your company.
- A monthly direct mail shot went out to all the trade customers making special offers not available to the general public. A special trade card was produced to offer these customers credit and strengthen the relationship between them and the company.
- A list of people moving into new homes was acquired, and mailings went out regularly, encouraging them to come in and see the client's products.

Obviously, with the intelligent use of the database all these various activities can be further subdivided to make them more accurate. Thus, it is wasteful to mail *all* the existing customers with every offer you make. You will find that some offers are best for people who have recently bought a certain type of product. For instance, if they've bought a kitchen from you, there is little point in mailing them with a kitchen offer. It may, however, make a lot of sense to offer them built-in bedroom furniture made from the same wood and with a similar design to the kitchen they have bought. Clearly the more you eliminate the wrong kind of customer and make the right offer to the right kind of customer, the better your results – as we discussed earlier.

Just by looking at the examples I have given of this one company, I think you'll agree that the problem is not discovering where you should apply direct marketing. It is more deciding where you should apply it *first*. Because everywhere you look, if you look thoughtfully, you will see opportunities.

SALES-FORCE HELP

One place where many companies immediately see they could apply direct marketing is in helping deploy the limited and expensive time of a sales force.

I have derived some pleasure over the years from keeping track of the astronomical costs of making a sales visit – costs which go up, as far as I can make out, faster than inflation. These figures are regularly collected by McGraw-Hill. The last time I checked, the figure quoted for the US was \$230 for a visit to a senior prospect. That's a *visit*, let me emphasise – not a sale. If that visit is unsuccessful, you've just lost \$230. In Europe, costs can be even higher. The lowest: \$128.18 in Ireland. The highest: \$1,439.62 in Denmark. In England, the figure is \$303.82.

To put this in context, on average, European salespeople complete one sale every six calls. This makes you wonder how any company in Denmark employing salesmen can *ever* make money. But it also underlines the importance of using direct marketing to make the most of that expensive asset, the salesperson.

**Better value
from
salespeople**

Much thinking on this subject goes back to the very old observation that most of your business tends to come from very few customers. It was in fact the nineteenth century Italian theorist Pareto who first observed that 20 per cent of the people spent 80 per cent of the money.

In the United States a major drug company had the problem that their salespeople simply could not visit all the thousands of outlets they dealt with, except on a very rare basis. By segmenting the outlets, they were able to reallocate the salespeople so that they devoted most of their visits to that important top 10 per cent. Less profitable outlets received only occasional visits from the salespeople, but were dealt with very effectively on the telephone and through direct mail. The overwhelming majority of outlets, which were barely profitable at all, were dealt with entirely through direct mail supplemented by telephone.

In the UK my agency helped launch IBM Direct in 1981. IBM realised that some products – typewriters in particular (remember the typewriter?) – might not need personal selling at all. Their customers understood perfectly what a typewriter was, and particularly what an IBM typewriter was. They just wanted to buy them conveniently. We introduced direct mail to sell typewriters. It worked. Thus, the salesmen were free to sell more expensive products. Eventually, a complete catalogue was put together.

**Pre-sell your
product**

Launching new products has always been very expensive. Quite a few years ago in the UK we had the challenge of helping a sales force introduce a new catering product to many thousands of outlets. We found that a simple mailing offering a free sample could get 25 per cent of the recipients to try the product. At the same time, we collected information about the outlet, numbers of meals served, what type of food sold, and so forth in order to enable the company to build a better relationship with them.

In France, the Compagnie Coloniale, who supplied top quality tea with 25 different flavours, wanted 3,000 owners of quality delicatessens and caterers to stock the product. Their problem was they only had a sales force of two. The answer was direct mail, followed up by telephone. The result? Seventy-six per cent of the prospects favourably considered the proposition on the phone. Forty-four per cent requested a salesman's visit. All the salesmen then had to do was to go around signing people up. The proposition had been pre-sold. In the event, it cost no more to sign up a pre-sold prospect than it did originally to go in and merely visit a prospect.

SOME PERTINENT QUESTIONS

I would frankly be astonished if somewhere in your business there was not obvious direct marketing potential. You can often find out where by asking the right questions.

**Is there
already a
relationship?**

- Do you offer after-sales service?
- Do you offer a guarantee that people have to fill in?
- Do you have a family of related products?

- Do you offer account facilities?
- Do you sell on credit, and have to invoice people regularly?
- Do you have accessories or software to sell?
- Do you have (or need) repeat purchases?

In all these cases you either already have a situation ideal for creating a continuing relationship, or you could easily create one. For instance, if you offer after-sales service, or have to bill people regularly, either because you sell on credit or have account customers, you have a reason to talk to them about other things they can buy. And if you haven't got a reason, it's often a good idea to create one.

I was once talking to a friend about a mail order company we were working for. I asked him how much discount they offered if, instead of paying over a period, you paid cash. 'None,' was his reply. 'They don't *want* you to pay cash. They want as many opportunities as possible to communicate via the regular invoice and sell you something more.'

The retail trade furnishes many examples of the power of the relationship with the account customer. Indeed, figures I have seen suggest that one account customer can produce more profit than *five* non-account customers.

Offering previews of sales to account customers is now very common. When it was first initiated, some years ago, I was told that Harvey Nichols, the elegant London 'flagship' department store of the Debenhams Group, used to make more money from the one-day preview reserved for their account customers than during the entire two-week sale that followed.

A similar example comes from Murray Raphel, the American direct marketer who owns a retail store in Atlantic City. His five-hour sale at New Year which he promotes heavily, largely through direct mail, also produces more than the regular sale that follows.

The most extreme example I have seen of the power of a company/customer relationship was the case of a US mail order company which sent its customers a letter apologising for the delay in shipping their order ... with, on the back, an invitation to buy six more items in the meantime. It worked.

Barnardo Publications – the arm of the Dr. Barnardo's charity that sells merchandise – ran an ad to sell a machine that plays chess with you. The ad did quite well, but the returns, instead of being the usual 5 per cent, were more like 20 per cent. Jeremy Shaw, the executive at Barnardo's responsible, couldn't understand. He conducted a little telephone research and soon found out the problem. The machines were perfectly all right. They just weren't *advanced* enough. So he wrote to all those who had asked for their money back, saying: 'Here's your refund. But would you like a machine that's much more advanced, but costs three times as much?' The mailing was a simple five-page letter – no illustration – and an order form.

How to make more money

Twenty-five per cent bought the more expensive machine, because a relationship had been established and the company was clearly planning to behave honourably by refunding. I understand they may have made more money from the returns than they did from the original advertisement.

USE YOUR NAMES

The best time to start

One of the most obvious, yet frequently neglected, opportunities is that of the guarantee form – which I touched on in the last chapter. When people have bought something from you, they are usually in a pretty good mood. There will *never* be a better moment to create a strong relationship with them. Indeed, over 20 years ago I conducted some tests which proved this to be the case for a company I had taken over which was going broke. Changing the timing of an offer lifted it into profitability. The quicker you sell an extra product to somebody who has just become a customer, the better you will do long term. Yet most companies never do anything with their guarantee form, though there are usually obvious opportunities for cross-selling.

I have already mentioned another area frequently neglected: the names generated through sales promotion. These names, whilst not nearly as valuable as the names of people who bought from you by mail, can be highly responsive. In the case of a sweepstakes offer run by a cosmetics company, we generated a 51 per cent response from a list of such names.

The importance of repeat sales

The seventh question on my list, 'Are repeat purchases important to you?', is obviously one to which everybody ought to answer 'Yes'. Indeed, as you've already gathered, it is one of the three reasons why every business should be interested in direct marketing. That is why it is so important when making a sale to record the name and address of your customer – and do it accurately. After that it hardly requires genius to keep in touch. Yet how many people bother?

A few years ago, I took my young children to Lord Newport's restaurant, Porters, in Covent Garden. The waitress asked them the dates of their birthdays and where they lived. The next year they all got a birthday card, with an invitation to a free meal. How do you think that made me feel about Lord Newport? I was amused at the commercial shrewdness, as well as being impressed.

How many companies do you know that take this kind of trouble?

RETAIL PROBLEMS

Earlier in this chapter I quoted examples from one of our clients in the retail business. There are many obvious ways that tactical offers of discounts, special gifts, or staging events, can bring people into your stores.

You can help overcome such common problems as outlets that are empty on some days of the week; badly situated stores which won't attract passing trade; and, of course, stores with high rentals. Also, if a store is selling products that people buy at particular points in their lives, or consider for long periods of time before making a final decision, direct marketing techniques are often ideal for keeping in touch.

For instance, when I moved into a new house a few years ago, I was struck by the fact that one retailer – Wickes – used to mail me a booklet every month with do-it-yourself offers. In fact I was a peculiarly poor target for such offers: I can't change a plug without a map. But if I had been interested in DIY, I probably would have responded.

Yet what they do is not particularly remarkable. They just communicate *directly* with likely prospects. At the time I am speaking of, not one of their competitors did.

I have already talked about the way the car industry is beginning to get into direct marketing. However, at a *retail* level, the small entrepreneur is doing very little indeed. Few retail showrooms take the trouble to get your name and address, inquire about your requirements and future plans, then follow up regularly. I believe they are going to have to do so vigorously in future because the car trade, which used to provide a cushy living to all sorts of fast talking ne'er-do-wells, is now a buyers' market, not a sellers'.

**Opportunities
for small
retailers**

THE KEY TO PROFIT

Here are some other obvious marketing situations where the direct link could well be the key to profit.

Do your retailers or wholesalers dictate to you?

Why not go round them, direct to your customers? Or build an alliance with them by creating a direct marketing programme they can use? They will come to look on you as a more desirable partner than your competitors. This works very well for anybody in the insurance business who deals with brokers or other intermediaries.

**Pre-empt
your
competitors**

Does your brand suffer from regular attempts by others to steal part of your market?

Then create a list of your customers by making attractive offers, and *keep* making them good offers so that they stay with you. Such a list can be particularly valuable at a moment when you realise one of your competitors is about to launch a new product. You can pre-empt their activity by making attractive offers that will diminish the likelihood of your existing customers

switching. This approach is being adopted quite a lot today in the packaged goods field.

Would you like to steal other people's customers?

Following the previous point, I am talking here about taking the battle to the enemy, as it were. It's perfectly possible to do so.

Some time ago in the UK, Imperial Tobacco decided to cut the number of their pipe tobacco brands by 60 per cent. Rothmans then ran an ad informing pipe smokers that if they thought they might be missing their favourite brand, all they had to do was write in to receive details of the Rothmans brand closest to it. A neat approach to database building.

This kind of thinking also worked extremely effectively in a programme devised by Ogilvy & Mather Direct in Atlanta, acting for Compaq in America. They mailed potential customers asking them to give details of the computer they were currently using, and what they used it for. They followed up with any one of six different mailings, each incorporating information based upon what the prospect had said. It was very successful.

When we come to talk about databases, you will see that proprietary databases also enable you to attack competitors' customers extremely effectively.

Why speak to everybody when you only need to speak to somebody?

Any situation where you are not appealing to everybody is one where direct marketing makes sense. For instance, where you have patchy distribution. Why waste a fortune in national press or TV? Try direct mail or the telephone.

This is so obvious, yet so frequently neglected, as to be quite remarkable. How many times have you seen enormously expensive national campaigns when what is being said could only be of interest to a limited number of people? Surely, direct approaches to these people would be infinitely more cost-effective than general advertising?

I shall discuss later, when covering planning, the implication of the Pareto principle. However, one calculation well worth making is very simple: what percentage of the mass market is interested in your product? Does it, for instance, make any kind of sense to spend millions on TV or on posters when making a share offering, which is what the British government did repeatedly in the 1980s? Even products with a traditional mass appeal – cigarettes, for example – only appeal to a minority.

However, although you may not want to sell to the whole world, this does not mean you only wish to speak to people who are not your immediate targets. If that sounds contradictory, let me explain.

**What
percentage
of people are
prospects?**

A direct marketing programme put together by a car company in the United States, although it seemed to make eminent sense, didn't really work. The reason was that the client did virtually no general advertising. Consequently, apart from the people who were being approached directly, nobody knew about the car. It had no reputation. As a result, if anybody bought it they would not benefit from one of the great pleasures of buying cars: having other people admire your choice.

However much sense direct marketing may make, it will not always do the job on its own.

Why direct marketing is not always enough

Do you recruit people?

Well, of course, unless you operate without employees at all then you have to recruit staff; and you certainly realise how important it is to get the very best available.

Some businesses depend entirely upon a constant stream of new recruits – for instance companies with large sales forces working on commission only. Yet surprisingly little recruitment advertising is any good: in fact most is abysmal, usually consisting of a heading describing the nature of the position to be filled and some extremely dull copy.

No intelligent marketer would permit such a dreary approach in ordinary advertising, yet they regularly squander enormous sums on it when recruiting people. Indeed, it may be argued that staff recruitment agencies only get their exorbitant fees because their clients don't know how to recruit people with effective advertising.

To a good direct marketing copywriter recruiting people should come as second nature. What you are doing is basic direct response advertising, except you are selling a job, rather than a product or service. In fact one of the biggest areas in direct response advertising is the recruitment of agents for mail order catalogues. When I ran Ogilvy & Mather Direct in London I made a point of writing all the recruitment advertising myself. I proved (to my own satisfaction, anyhow) that I was better than the average recruitment agency, because I *sold* the jobs rather than describing them.

Money squandered on bad recruitment advertising

Do you have a catalogue or brochure?

Few companies indeed do not have some sort of literature. Often, large sums of money are paid for the design and writing of this sort of thing, yet most is simply left lying in showrooms or sent out in a half-hearted fashion, usually without a persuasive covering letter, to random enquirers.

Many companies, too, have catalogues of one kind or another, even if they are not called that, but something like a range brochure. Planning a catalogue that works effectively is a specialised task. Even many direct marketers don't understand the subtler points all that well. But it will pay you to find one who does, and listen carefully to the advice given.

Planning a catalogue – a specialised job

And, finally, can you afford to advertise as much as you'd like to?

Get a response – and find new revenue

If not, then transform your 'image-building' advertisements and see if they can't help you *sell* – put in a response device. You will find new revenue for advertising.

If the examples above don't set you thinking about how something you're considering right now could be approached, your business probably has no connection with the subject of this book. You should put it down right now and go and have a drink.

EMPLOYERS AND SHAREHOLDERS

Talk regularly to staff

Unless your employees are motivated to work hard, you will go broke. If your shareholders do not believe your company is being properly run, you will prove an easy mark for the first takeover merchant to arrive on the scene. Intelligent direct marketing can do a lot for you in both cases.

For instance some years ago, union leftwingers had more or less gained complete control of the British Leyland Motor Company. The company solved the problem by using direct mail to the mass of employees, pointing out how their future was being threatened. In this way, it was able to get employees to agree to policies which for years they had steadfastly rebuffed.

British Leyland were lucky. I suspect they had only resorted to this direct approach because they were desperate. Wise management would have a regular series of communications to their workers and shareholders explaining what the company was doing and why – enlisting their support. Many companies seem to imagine regular newsletters to the employees, full of company puffery, and a near incomprehensible company report sent to shareholders once a year will do the trick. Recent history has shown they will not.

It is a pleasure to be more-or-less right from time to time. For years, I have suggested to anyone who cared to listen – and quite a few who didn't – that £1 spent communicating with your staff is worth £10 spent on the trade or other intermediaries and £100 spent talking to your ultimate customers.

This is, of course, an estimated statistic, but a couple of years ago I was vastly heartened to read what follows: 'Business leaders who invest in Workplace Marketing with passion and persistence are found over 2 years to deliver 7% better return on capital than their competitors; 172% improvement in pre-tax profits and 78% more profit per employee'. (I wonder how those without passion and persistence do, incidentally; and how these rare qualities were defined.)

In addition, they reveal that '44% of marketing directors make little effort to share their marketing plan with their own departments and 68% fail to share them with their managerial colleagues', whilst 'less than 10% of companies with "customers", "quality", "service" and/or "people" written into their mission statements can claim a motivated workforce'. (I have long

suspected any firm with any mission statement is badly run.) The statistics cited here come from Strategic Management Resources, who help you motivate your staff. They recognise how important it is to communicate with those who work both for and with you.

WHO COMPLAINS?

Who replies to complaints? However fulsome their protestations of dedication to the customer, few companies like to think overmuch about them. This is not true of the really outstanding marketers, amongst whom you must number Procter & Gamble.

A while ago in the US, P&G started addressing this subject. They discovered that when customers were unhappy, only around 40 per cent of them could be bothered to write to the company and complain about a particular product. This is not really surprising when you think about it: nobody gets into a lather of excitement over a laundry detergent (forgive the pun).

Procter & Gamble, on the other hand, are always excited about detergents and similar products – they are their livelihood. Accordingly, they wondered how they could make it easier for their customers to complain, because they had also discovered that of those who did bother to write, 90 per cent were satisfied with the company's explanation, and continued to be customers.

Accordingly, P&G decided to put an 0800 number on all their packs so that anybody who had a query could ring up free. Result? 90 per cent of potential complainants did ring up. And 90 per cent, once again, were satisfied. (Other research, incidentally, shows that a customer who has complained and been satisfied is more loyal than if they had never complained in the first place.)

Apart from retaining customers, P&G also said they learned a great deal of value from this activity. They learned which customers were using which brands. They received lots of helpful suggestions about packaging, advertising and even new product ideas. Quality control was improved and recalls avoided.

Clairol heard about this activity and formed a completely separate division – a profit centre in itself – to deal with complaints. This is a wonderful variation on the old salesman's saying that the sale only starts when the customer says 'No'.

**Make it easy
for customers
to complain**

WHAT MAIL ORDER TEACHES

I am biased, but I believe mail order is a marvellous education. 'We sell, or else' is the motto David Ogilvy devised for his agency – one which grows directly from mail order. And although today direct marketing is employed by all kinds of company, looking at what mail order companies have learned will teach you valuable lessons.

**We sell, or
else**

Mail order is now more sophisticated

To start with the basics, if you look today at some of the better mail order catalogues you will see they are very different to their forebears. Twenty years ago the average catalogue did not offer a better quality product, nor a more imaginative selection of products; it flourished because it offered credit and home delivery. The prices were rarely competitive.

No longer so. Catalogues today often offer genuine bargains, and imaginative products. I picked one up at random the other day and saw some excellent buys. Gold-plated watches, well designed, with a saving of £40 off the original price of £70. A cordless infra-red headphone system – no need for jackplugs. And a fully automatic camera outfit with zoom lens at less than half price.

One product that particularly interested me was an ingenious ‘desk briefcase – ideal for working on the move’. Right up my street; I haven’t seen this product offered in retail stores; I am always buying briefcases; and I spend much of my time on the move.

What I am saying is that the mail order companies are reacting to meet a more sophisticated market. They’re producing good products, selecting them imaginatively, presenting them well, and making good offers.

Pretty basic stuff, you will probably say. How can you succeed in marketing without offering something good? Well, oddly enough, many companies who enter direct marketing do so because they see it as a way of solving a problem – often that of getting rid of products they hadn’t been able to sell any other way. There are few occasions on which this happy result eventuates, I can assure you.

THREE MAJOR ERRORS

Getting started successfully in direct marketing requires just as much hard work and application as getting started in anything else. Here are the three major errors I have noted amongst non-direct marketing companies who wish to get started.

1 Failing to espouse direct marketing thinking

Many general marketers have a disdainful attitude to direct marketing. They see it as a junk mail, hole-in-the-wall business. I have already explained that I have great sympathy with this view. But it doesn’t mean you ought to approach the business casually.

A special way of thinking

Good direct marketing, as you have seen already, calls for its own special way of thinking. And those who understand it are few; there’s a great shortage of talent. Accordingly, many companies employ people with *general* marketing experience. Often, just as they choose *products* that have failed, they choose *people* who have failed in general marketing. The result: disaster.

If you can’t find people who have direct marketing experience, then for God’s sake try to make sure that the people you do select are really good.

Then make sure they learn as much as possible about the business. There are many training programmes, hosts of seminars and conferences, and a number of excellent books. Make sure they are exposed to all these. I recommend in particular the training of the DMA in America, the Institute of Direct Marketing in Britain, and the conferences organised by groups in other countries – Spain, Belgium and Australia in particular.

If all else fails, place them for a while with a good agency. Ogilvy & Mather Direct, to take the one I know best, are famous for giving more training than any other agency in the business.

2 Trying to do without specialist help

When General Mills in the United States went into direct marketing a few years ago, they conducted a two-year study to establish what you must do to succeed. They thought it was essential to get direct marketing experts in right at the beginning and ‘engage a competent direct marketing agency to help set up the operation, manage and train the people ... and maybe even run the business in the short term’.

Whether you have to go to that much trouble, I don’t know. But one thing is sure: hiring a ‘below-the-line’ specialist, ie somebody who knows all about sales promotion or merchandising but does not *specialise* in direct marketing, will almost certainly prove fatal. Indeed, despite the fact that many sales promotion agencies have set up direct marketing divisions, I have yet to see one of any great competence. And a general agency is almost certainly the kiss of death. I have yet to come across one that understood direct marketing at all well.

What you must do to succeed

3 Trying to do it too quickly

Again, to quote the General Mills study, ‘This is not an overnight success formula, but something that will take a major investment in time and funds.’

You will notice that when considering the advantages of direct marketing I have never suggested that it’s a way of marketing on the cheap. You may be able to eliminate risk, but you will still have to invest. You must look at it in the same way as you would any other business. When I talk about investment, I would endorse the General Mills study with enthusiasm. In some ways the investment in time may be more critical than the investment in money. You need a lot of time to install the necessary infrastructure.

Some years ago, a major US company came to us with the bold intention of seizing a major share of the private health insurance market. There were a number of reasons why this was a difficult thing to do. First, in the UK the National Health Service, though somewhat run-down, is much liked. Second, this particular market was and had been dominated for nearly 50 years by one company. Third, nobody had ever heard of this particular American company, though it is very famous over there.

No overnight success formula

It is possible that their long-term objective might have been met, but they certainly made it difficult by trying in a space of six months to put together an organisation to set up this project. This involved not merely marketing personnel, but people to set up a database, a telephone operation and all the considerable logistical minutiae involved in such a business. (Reflect, for instance, on the challenge of recruiting a sufficient number of private hospitals to co-operate in such a venture, and you will get some idea of what I mean.)

Valuable lessons learned, but obscured

Merely from a direct marketing point of view, the whole thing was utter chaos. In a period of 12 months, from a standing start, we produced over 700 separate pieces of direct mail and advertisements. Millions were wasted. Never was time given to stop, consider what was being learned, adapt accordingly. Many valuable lessons *were* learned, but amidst the panic-stricken gallop towards an unattainable target, these were obscured. The company did learn quite enough to realise that over a long term, approaching segments of the market, they could succeed. But it was difficult for them to see this. A great opportunity was wasted when the business, after little more than 18 months, was, to all intents and purposes, closed down.

WHAT SHOULD YOU SELL?

I have just given an example of a service which was a natural for direct marketing. In fact, there are few products or services you can't sell direct as long as you give it a little thought. If you are already in business with a range of products and services, then you will probably have isolated a number of possibilities for yourself by now. However, here is some advice based largely upon my experience in the mail order business. Clearly, not all the points I am going to make will be applicable to you, but I would be surprised if some were not.

Firstly, the right product does not necessarily have to be the cheapest, or the most unusual, or one with some special gimmick. Moreover, it can be something that is also available through other channels. (Some people think it has to be uniquely available direct. This is clearly not the case. For instance IBM, to whom I have referred already, have in some cases offered a range of different prices to the customer for certain products depending on how they buy them: from a salesman, from a retail outlet, or direct.)

Can you make a good offer?

Generally, the thing to consider is whether the product represents good value, or is one on which you can make a good offer. Perhaps a little story will illustrate what I mean.

Some years ago, I was called in by Gerald Lipton, the chief executive of Chinacraft, an extremely successful chain of retail stores. He had heard from another of our clients that we were hot stuff at direct marketing, and he summoned us to his rather grand office in north London.

Before talking to us, he said: 'Let me show you round my warehouse.' It was a most educational tour. I have never seen so much beautiful china in my

life. Nor so much *expensive* china. There were cups and saucers there selling for nearly £100 each. I was bowled over.

Then, he said: ‘Let me show you all my cheap lines.’ He took us to see the crockery he sells to the big supermarket chains and catalogue houses. This was impressive in a different way. He had everything there: plates, saucers, service dishes, glasses, cutlery. I’d seen a lot of it before in various stores.

After he had shown us round, he took us back to his office, and said: ‘For many years I’ve wanted to get into mail order. I don’t actually know why, but I’ve got this itch. I’ve tried a few times. Sometimes I’ve made a little money, sometimes I’ve lost a little money. But I’ve never succeeded as I would like to.’ He asked us whether we thought we could help and – eager to get the business – we said we could. He asked what we thought he should sell. With the wisdom of more experience since then, I think we should have kept our mouths shut. The selling of products is tough enough without getting into choosing them. However, we made three suggestions, all of which he tested in the press. Only one did well. It was the *least* original.

At that time, another company was running an offer of complete sets of plates, glasses, serving dishes and cutlery. Gerald Lipton knew how well they were doing; moreover, he knew exactly what they were paying because he supplied the plates. As a matter of fact he even thought they would go broke. He was right about that, too.

Our suggestion was to make the same offer, but improve on it. So he did: he offered an additional piece of crockery, and a free gift of oven gloves to go with the set. He ran that offer for years. He was able to outlive the competition because he had more margin, and he made a better offer.

CAN YOU OFFER A GOOD DEAL?

The moral is that your offer doesn’t have to be original. It just has to be something that you are well placed to offer a good deal on. The deal doesn’t have to be an outstanding one: in this case the cost of an additional piece and an oven mitt was minimal. All you have to do is to come up with an offer which is sufficiently appealing to a *very small* section of the public to pay off. If only one person in a thousand amongst the readers of a national paper buys one of those sets of cutlery and crockery, then the ad is extremely profitable.

That leads me to my second piece of advice: remember what business you are in and who your customers are. That’s a very old adage, but it’s vitally important. If you are in the china business, then you understand it: the customers, what sells and what doesn’t, how much you can charge. You are best to stick to what you know.

This cuts both ways. Thus, if you have customers who have always bought china from you, you will be ill-advised to suddenly mail them with offers of garden seeds. They are china buyers; and to them you are a company that knows about china, not gardening. Your offer must fit your position: be

**Appeal to
very small
segments**

**Understand
what sells
and what
doesn’t**

compatible. However, considering what is compatible with your present business in an *imaginative* way can pay off splendidly. And perhaps the company which has given one of the best demonstrations of this is the Franklin Mint.

I used to be a consultant to this company, working for a man called Ed Segal. I learned a great deal from him, at a time in my career when (not for the first time) I was sure I knew everything. He taught me a lot about writing direct mail. He also told me a very interesting story about how the Franklin Mint managed to expand its business base successfully.

The Franklin Mint was, by coincidence, founded by another Segel; no relative – as you can see, the name is spelt differently. Joe Segel was originally in the advertising speciality gifts business, where he became something of a legend. But the best idea he ever had came as a result of seeing a picture of a queue of people buying the last of the US silver dollars ever to be minted.

This made him think about how keen people are to collect rare things (or things likely to become so). He conceived the idea of *creating* things for people to collect. Items on which he would confer instant rarity, by limiting the period of the offer. He started with medals. By the age of 42, he retired with millions of dollars. (He must have got bored, because a few years later he came back into business to launch one of the first home shopping channels in America, QTV, which he sold off in 1992.)

Lessons from the Franklin Mint

However, there's a limit to the number of sets of medallions, ingots and coins you can sell. Eventually you start to run out of themes. Or alternatively, you start introducing themes which are difficult to justify.

Thus, when I was working for Franklin, one of my colleagues there spent many months fruitlessly wrestling with a series of medals called 'Heroes of the Mexican Revolution'. The problem was that most of the featured heroes had done extremely unpleasant things to each other, and most other Mexicans, too. It was difficult to bring out their heroic side with any degree of conviction. Franklin, realising that they needed to do something else, decided to find something outside their existing field to sell. But they had the sense to stay in the *collectible* area. They invented the 'Ultimate Private Library'.

This was a limited edition of magnificently produced and bound classic works. As a matter of fact, so precise was their targeting that they deliberately avoided telling buyers *which* books the series contained. They appreciated that their customers were *collectors* not *readers*. *The Times* reported that the programme was so successful it created a world shortage of second-grade goat skin.

Today, the Franklin Mint sells just about anything you want to collect. Porcelain, furniture, decorated thimbles, plates, china dolls, vases – anything you like (unless of course, you know what you want to collect already).

At the beginning of this section I was talking about offering good deals. It's important to remember that a good deal may have nothing to do with objective values. Value means different things to different people. Thus, to me a series of limited edition medals has little value; to a Franklin Mint collector

they are obviously worth a lot of money. The Nespresso company, a Nestlé subsidiary, sells a very high priced product direct to coffee lovers throughout Europe. It would not interest me because, as an Englishman, I don't really appreciate good coffee. But the Swiss, the Dutch and other Europeans with good taste do – and will pay for it.

Something which can certainly add a great deal of value is prestige, as American Express discovered when attempting to recruit new customers for their bank in Hong Kong. By law, they were not allowed to offer anything that their competitors did not. In fact the only thing they had was the reputation of American Express, which has high status in Hong Kong – sufficient to persuade large numbers of people to open checking accounts with the bank.

ASK YOUR CUSTOMERS

I never cease to be amazed at some of the things people think they can sell. On one occasion someone came to see me and wasted a great deal of my time trying to persuade me that what the world really needed was a little trolley that would carry two dustbins in it. He was absolutely obsessed with this. I asked him why this was so essential. He explained that he had two dustbins at his house, and that it made it easy to put them out for the bin men to collect.

I informed him that in my country home the bin men very kindly came out and collected the dustbins themselves; and my London flat was a penthouse so a trolley would be no use. He still went away convinced that mankind would be saved for evermore if somebody were to offer this product direct.

On another occasion a man came to me who had spent all his savings – and his family's savings, and everything he could borrow – putting the Bible on tape with a cast of actors. Net result: bankruptcy.

If you want to know what to sell, for goodness' sake do a bit of research in advance. There are occasional inspired entrepreneurs like Joe Segel. But most of us are just fallible human beings. So don't invest in hunches; ask your customers. I cover this to some degree later on when dealing with research.

I applaud all kinds of research, but I must emphasise that people cannot tell you what they will buy until you ask them to part with money. One company used to get their customers into halls in groups, then show them potential products and get their opinions. They would then rank the possible products in order of appeal. After the session, the products were displayed at the end of the hall, and customers were allowed to take away the sample of their choice.

The first interesting thing the company discovered was that the customers *never* chose the products to take away that they said they preferred in the discussion. And the second interesting thing was that an infallible guide to what would sell (this was a rather downmarket audience being appealed to) was to leave samples out on the table until the company cleaners arrived. The ones which were stolen most generally turned out to be best sellers.

Research in advance

How to research and test

The truth is that people will tell you they like the product they think they *ought* to like. But when they have to buy or even get a free gift, they choose what they really like.

For that reason, the right way to start establishing how products are likely to do is to go through a simple sequence. First, write to people asking them which of a list of products, briefly described, they find most appealing. Then choose the products that come out best, and write sample mailings for each one. Test these mailings on your list, making it clear that customers will be able to buy the product later if and when it comes out, and giving a price, so that the offer is a real one. Then you choose the one or two products that do best, and start selling them seriously to your customers.

That's a very simplified description of a subject that deserves a lot of consideration. But one thing I would like to emphasise – and I make no apologies for saying this more than once, in different ways in the course of this book, because it is a mistake people *persist* in making – don't ask your customers (or anyone else, for that matter) what they 'think' of an ad or mailing. They are not critics. They are buyers. Even experts usually guess wrong. The ads people like are rarely (in fact almost *never*) the ones that do best.

What you really want to know about your messages is: do people understand them? And do they think the product in question would be useful to them, or is worth the price? All useful information to give you some idea (but no certainty) as to what is likely to happen.

HOW DOES IT COMPARE?

My next point is very obvious but much neglected. Compare your product with the existing competition. In what way is it superior? And if it isn't superior (despite the fact that you may be unwilling to admit it) then for goodness sake apply some objectivity, and see what you can do to improve it.

The ability of marketers to delude themselves about the wonders of their products and services is almost boundless. In practice the consequence of this is quite simple. A client comes along to you with a product and says it's superior to competition in every respect, and it's cheaper, and it's revolutionary. And so on, and so on. After a certain period of time it suddenly emerges that, 'Well, it's not *that* superior. There are in fact one or two areas where competition is better. And it isn't *that* cheap.' And so it goes. It's a process of disillusionment, which almost everybody in our business has experienced. It usually ends up when you find there is virtually no claim you can make for the product. It's just the same as everyone else's. The client had just fallen in love with it.

Be objective: can it be copied?

One point which many people ignore is: can the product or service be copied easily? If so, you may have something with such a short-lived appeal it's not worth bothering with. It's also important to check whether there are alternatives to your product – possibly from other suppliers. Products that may do the same job, even though they're not the same product.

Let me give you an example. The fax machine is a product which is competing with and making obsolete a number of services. Yet I do not think many people realised when it came out that it would represent an appealing alternative in some cases to telephone calls themselves, the mail and – one service which has almost vanished – the telex. The fax is now, in turn, becoming outmoded by the development of e-mail.

Having chosen a product, you must also pay great attention to quality. If you are selling merchandise, get several samples to make sure the product is reliable. Ensure, too, that it conforms to all the relevant authorities. If it has any health connotations, be *very careful indeed*.

If it's a service, then there is a wide range of factors you must consider. Principally, they revolve around whether you are going to be able to deliver what you promise – or at any rate deliver it with the speed and efficiency required. Eg: if you're offering to give people information when they call in, have you got the necessary infrastructure set up? Will your telephone communicators, for example, have the knowledge required or easily available on a database to respond to queries? Will you be able to send out the product quickly, properly packaged? All simple stuff; all very important.

Equally important is: have you got an alternative supplier? My hands tremble as I record this advice because 20 years ago I lost a small fortune (and many nights' sleep) because a supplier let me down when I was selling records in Scandinavia. More recently, we nearly lost a very large account because a supplier of personalised plastic cards let us down. On this occasion, thank goodness, we did have an alternative ready.

PAY THE RIGHT PRICE

My next piece of advice: negotiate carefully. There is the world of difference between someone who just buys, and somebody who *negotiates* to buy a product.

In 1981, we had occasion to look at the figures of two of our clients. In both cases, their advertising results were well above what we knew the market average to be. But neither was doing well. The reason was quite clear when we saw the figures. Neither company had enough margin to make a profit on many lines. This was not through a deliberate policy of low pricing to get names. It was just lousy negotiating. So haggle. It can mean the difference between profit and loss. You may not like talking about money, but when you go broke you'll find yourself talking about it all night. In your sleep. (For advice on negotiating, see Chapter 7.)

Linked to this last point is the need to make sure you have enough margin. How much is enough? The answer will come through testing, but as a rule, in lower-priced products (ie up to £20) you need at least 200 per cent gross margin on the cost to you. If you go below the £10 mark the margin should be even higher, assuming of course that you are hoping to make a profit, and not simply 'buying' names.

How much margin do you need?

In higher-priced products, you need less percentage margin. But don't imagine that simply by halving your price, you'll always increase your orders sufficiently to cover that loss of margin. Research by Professor Andrew Ehrenburg and others suggests you rarely will.

My next point is one to be read, marked, and inwardly digested.

DON'T OVER ORDER

When we first started working for one company the general manager showed us some of the products he was planning to sell. We were full of enthusiasm. Two products we all agreed couldn't miss were a new kind of calculator that worked by direct light so that it needed no batteries and a dictating machine which had a calculator on its reverse. Two in one. What's more, it was to be sold at a price lower than Philips were charging for a dictating machine alone!

The client ordered these devices by the container-full to get a keen price. But we never realised that nobody *wants* a calculator without batteries. Calculator batteries last a very long time indeed. They're no problem.

We did no better with the calculator/dictating machine. First, we didn't think very carefully about the market potential. How many people need a dictating machine? And what kind of people are they? The answers are: not a lot; and only business executives. Yet in order to get rid of the volume we had ordered, we had to go into mass circulation publications of general interest. There simply weren't enough executives reading these media to sell our product at a profit.

This failure may also have had something to do with the fact that a two-sided product like the one in question is almost impossible to illustrate. We had the front of the product on the left hand side of the layout and the back of the product on the right hand side of the layout. At first glance, it looked like two products. And the first glance is the *only* glance you get in selling off the page.

Moral: always order a test quantity. You may have to pay more to start with, but you could end up paying a lot less in the end.

My last suggestion is obvious, yet almost invariably ignored when people choose what they ought to sell. Talk to the people who are going to have to do the selling for you: the copywriters and art directors at your agency. As a matter of fact, even a biased creative chap like me is willing to admit that it's a good idea also to talk to the client service people. They have been known to come up with the odd good idea from time to time.

Remember, in the mail order business particularly, the message *is* the marketing.

You really need to have everybody in the agency convinced that they can create messages which will sell that product. For instance, a good copywriter and art director should be able to tell you whether a product is going to be easy to demonstrate in print or broadcast. If you can't do that, then your chances of success are low indeed. Notice I said a good creative person. Make sure that when you're discussing your product you talk to somebody who is

**Always order
a test
quantity**

**The message
is the market**

really first class, not an amateur. For that matter, I would suggest you speak to more than one set of creative people, if at all possible. You will get a more rounded view of your likelihood of success.

WHERE TO LOOK

You may wonder *where* people find ideas for what to sell. I am tempted to say either you've got it or you haven't; but that's an easy way out.

Here are some suggestions:

- Copy other people (like Chinacraft did) and improve on what they offer.
- Go to a 'syndicator' – a person who puts together mail order deals for people, in order to supply the product. But be careful that you have enough margin: it is not as easy for two to profit as one.
- Go to trade shows.
- Travel. Look at what is being sold in other countries.
- Read foreign papers and magazines. Look at the ads.
- Put together lots of items into a different combination. Like a set of motoring tools, or kitchen knives – both best sellers recently.
- Try a successful catalogue product. A collection of sewing thread in every colour of the rainbow is one example. Several companies have done very well with exercise bicycles, which did well in catalogues to start with and then moved into space advertising.

Successful catalogue products don't always do well 'solo', but they often do.

- Try to sell something connected with your own favourite hobby or interest.
One good friend of mine has lived off a business in rare coins for 30 years. It's much easier to work hard at something if you know and love the subject.
- Look at something presently being sold by salesmen. It could very probably be sold direct through the mail. And it is almost certain that you can use direct marketing one way or another to help you.
- When you've got started, don't worry. People will come to you with products.

Here are some personal views on the best products to sell.

I have always believed that the very best services and products to sell are those which involve the minimum of administration and the maximum of continuity, preferably with the greatest possible mark-up. Thus, insurance is a wonderful product. There is no warehousing cost and you are merely selling pieces of paper, which you can print as you need them. And, of course, a continuity element is built in (except, perhaps, in the case of the burial expenses policy I mentioned earlier in this chapter).

My favourite example of continuity in insurance came about when I was approached to write a package for a product designed to sell insurance to

Sources of good ideas

babies. You may imagine that the average baby is not particularly concerned about insurance – so let me explain.

In this case, the communication was in the form of a letter to be placed in the ‘Bounty Pack’ given to mothers when they have just had babies in hospital. These packs contain information and samples of various products the mothers will find interesting. The piece I wrote simply suggested that at this wonderful moment in the parents’ lives the one thing they would obviously be concerned with would be the future of their baby. It was, I proposed, a most appropriate time to consider the baby’s protection and financial future.

This was a very successful pack. Certainly, from the point of view of initiating a continuing relationship with a customer I cannot see any way of starting much earlier. (Having said that, I have no doubt that somewhere, a wily insurance man has already considered sending mailings to ladies who are *expecting* babies.)

**Ideal for
direct
marketing**

For much the same reason that insurance works very well, loans and other financial products are ideal for direct marketing.

Any product which is simply printed paper – like a course on some subject – allows for big mark-ups. This is particularly so if you take a book and break it up into a series of lessons. A £10 book can easily sell for several times as much when broken up in this way.

The most extreme example of taking paper and giving it high value is with the collections of cards on subjects like cookery, which I mention elsewhere. The margin on that particular type of product is colossal.

I also believe that *any* product aimed at the business market has a built-in advantage. The business buyer is usually not the principal of the business so it isn’t normally his money. At the same time, many business products nowadays are exceedingly complex and therefore lend themselves particularly well to the detailed explanation direct marketing can bring to bear.

My final thought on what sells and what doesn’t: don’t ask me – I’m always getting it wrong.

Positioning and Other Mysteries Explained

*'This above all: to thine own self
be true.'*

Polonius's advice to his son Laertes,
Hamlet

*'If I have seen further, it is by standing on
the shoulders of giants.'*

Sir Isaac Newton

Put your mind at rest: I have no intention of comparing the joys of positioning with the laws of gravity. But if Isaac Newton could learn from his predecessors, why shouldn't we?

The history of direct marketing is long. Back in the fifteenth century an Italian printer was selling books direct, almost as soon as printing itself had been introduced to Europe. He must have known something, because I believe the company survives to this day.

As early as the eighteenth century the great writer and wit Dr Johnson summed up in two sentences the principles that govern success in advertising – and direct marketing. 'Promise, much promise is the soul of an advertisement', he said. And when auctioning off Mrs Thrale's brewery, he told potential buyers: 'We are not here to sell off a parcel of vats and boilers; but to offer the potentiality of wealth beyond the dreams of avarice.'

Once you study the results of tests you learn very quickly how correct he was. Firstly, advertising works best if you promise people something they want, not – as many imagine – if you are clever, original or shocking. This is not theory: in 1985 the Ogilvy Centre for Research in San Francisco set out to

**Two
principles of
advertising**

discover whether people buy more goods as a result of television commercials they liked. The answer, not surprisingly, was that they did. But what did they like? ‘Emphatically not something original or clever, but something relevant’, said the report.

Secondly, of course, people are attracted more by what something can *do* for you than by what it *is*. If every marketing director in the world, whether engaged in direct or general marketing, acted upon these two principles, I believe our industry’s effectiveness would dramatically improve overnight.

Here are some other theories and principles you should find helpful, some dating back to the early days of modern advertising.

As I have already explained, today’s direct marketing has come about largely as a consequence of changes which echo those that occurred in the nineteenth century during the Industrial Revolution. At that time, the technology which led to steam printing, for example, made both cheap newspapers and cheap mail order catalogues possible. Educational and economic changes created customers for the new mass-produced products – customers who were able to read the advertising that promoted them.

SOUND ADVICE ON BOASTING

Soon, advertising started to produce its own trade organs. One in particular in America was called *Printer’s Ink*, published by George R Rowell, who also ran his own advertising agency. This is what he wrote over a century ago about advertising:

Be direct and simple

Come right down with the facts, boldly, firmly, unflinchingly. Say directly what it is, what it has done, what it will do.

Leave out all ifs.

Do not claim too much, but what you do claim must be without the smallest shadow of weakness.

Do not say ‘We are convinced that’, or ‘Surpassed by none’. Say flatly ‘the best’ or say nothing.

Do not refer to rivals. Ignore every person, place or thing except yourself, your address, and your article.

Many people could learn a lot from that even today. Much copy ignores the facts and doesn’t tell what the product is, what it will do, or how it has performed for others. Much copy overclaims. Much copy boasts. And much copy denigrates rival products – often a waste of time, because the reader ends up believing nobody.

Rowell’s fame was eclipsed by that of John E Powers, a man who made a mint selling sewing machines in England (literally by the shipload) before going to America to write copy. Soon he was earning the astonishing sum for the time of \$100 a day.

His secret weapon was the *truth*. He would have been a good soulmate for the late Charles E Brower, an American advertising man who observed: ‘Honesty is not only the best policy. Nowadays it is sufficiently rare to make you pleasantly conspicuous.’ Very commonly, advertisers squander prodigious sums saying what they would *like* to be the truth. In Britain, for example, the railways ran a slogan for some time: ‘We’re getting there’. It had to be withdrawn because it infuriated the average traveller, who was all too well aware that many British trains arrive late.

But to get back to Mr Powers: his great discovery was that if you give people a *reason* why what you are saying is true, they are more likely to be swayed by your arguments. The fact is, people are suspicious – and the more seductive the offer, the more suspicious they tend to be. (On a British TV programme some years ago a man offered people £5 notes in the street. Nobody would take them although they were perfectly genuine. They believed there must be a catch.)

Powers was *so* honest that one of his employers, John Wanamaker, founder of the great Chicago department store, eventually fired him in exasperation for running copy such as: ‘We have a lot of rotten raincoats that we want to get rid of.’ Or, ‘[The neckties] are not as good as they look but they are good enough – 25 cents.’

You may be asking yourself: does this advertising archaeology have any relevance today? The answer is an emphatic ‘Yes’. Even today, few advertisers appreciate the importance of giving a reason why.

Suppose you are planning a sale. Believe me, you will do much better if you give a reason for it. ‘Closing Down Sale’ is more convincing than just ‘Sale’. People think that if you are closing down you really *do* have to sell off your stock cheaply.

One shop in Soho had a ‘Closing Down Sale’ for 20 years to my certain knowledge. And some years ago the ‘Closing Down Sale’ of a London department store was so successful they decided to stay open – and remain in business to this day.

Honesty is rare and priceless

Give a reason *why*

WOULD A SALESMAN DO THIS?

The most valuable single statement ever made about advertising is that it is ‘Salesmanship in print’ – I mentioned this in Chapter 1. This was said originally by John E Kennedy, the first copywriter with the American advertising agency Lord & Thomas. Because nobody else appreciated this at that time, Lord & Thomas quickly became the world’s largest advertising agency.

I advise you, every time you plan or review anything, to ask yourself: ‘Is this good salesmanship?’ Direct marketing is so intimately concerned with salesmanship that you might imagine it is almost impossible to forget this fact. However, I must warn you that there are many alluring sirens lying in wait to seduce you as you make your plans or review your objectives, and they

Is this good salesmanship?

congregate particularly densely during advertising agency presentations. You will be amazed how quickly you can be persuaded you really ought to be ‘building prestige’ ... or ‘letting people know what we are doing’ ... or ‘developing awareness’. The minute you hear phrases like this, start worrying. Your plans are almost certainly threatened. Sound the alarm and get back to salesmanship.

I don’t mean by that you shouldn’t be letting people know what you are doing, or that you shouldn’t be building prestige or developing awareness – all these are very desirable. But never forget the *ultimate* objective: one way or another you want to make a sale – to persuade somebody to do what you want.

Be consistent

Good salesmanship has a cumulative effect. If your tone and message are consistent, you build a clear reputation. A reputation is worth a lot of money. If you go into any supermarket you can see this demonstrated quite clearly. Next to each other on the shelves are products which are as near as damn it identical save for the brand name. One, a brand which through consistent advertising has built a fine reputation, commands a higher price than another (often the unadvertised house brand of the supermarket). Research has shown that heavily advertised brands as a whole are substantially more profitable than brands that are lightly or not advertised.

Of course, reputation benefits the supermarket itself. Companies like Sainsbury or Marks & Spencer which have good brand names sell products which themselves can sometimes command a premium. Significantly, in recent years financiers have realised that the value of a company can depend on something generally not even mentioned in the balance sheet: the value of the brand names it possesses. A value built up by years – sometimes generations – of advertising. When Philip Morris started buying other companies in their attempts to diversify, their CEO cited the value of the brands belonging to those companies as being the principal thing they were buying.

ADDED VALUE

James Webb Young, a famous creative director in the early days of J Walter Thompson, theorised that one purpose of advertising was to build into the product an added value beyond its physical constituents. This added value derives from the constellation of qualities which together make up the brand image.

One of the great names in packaged goods is Heinz. In Britain, its most famous product is baked beans. Other companies obviously make baked beans, but none is as successful as Heinz. Much of this has to do with the power of the Heinz brand. One competitor used to conduct regular taste tests to find out how their product compared with Heinz. The taste tests were ‘blind’, ie the brands were not revealed. Their product used to be preferred by consumers in the ratio of 2:1. The minute the brands were revealed, the very name Heinz changed consumers’ perceptions. They preferred the Heinz product.

Brand name doubled response

Jim Kobs, in *Profitable Direct Marketing*, tells the story of Montgomery Ward, the American catalogue company which wished to launch

an automobile club. They tested the power of their brand name by doing identical communications to similar target audiences. There was only one difference: one file of prospects was told this was the Montgomery Ward Autoclub; to the others the name Montgomery Ward was not revealed. At that time the company was nearly 100 years old. It had a fine brand image. The name doubled response.

The American Express Bank example from Hong Kong given earlier shows how effectively a brand's image alone can enable you to compete, even when you have no advantage at all.

It is because of the importance of the brand that the word 'image' has emerged from the world of advertising and become general currency. Indeed, if one were able to calculate the money squandered as a result of that word, I suspect the sum would be colossal. How many times, for instance, do corporations imagine that the solution to some endemic problem like lousy products or second-rate service will be simply to have a new 'corporate image' created at vast expense by some specialist in this arcane art.

Your brand, and its image – or personality – result from what you are, what you do, far more than what you *say* about what you are and what you do. The way you have dealt with your customers, the products you have sold, the value you have offered, will do more for your brand and its image than anything else.

What is more, the consistency with which you behave and speak is of extreme importance. Wiser heads than mine have commented that one mediocre advertising campaign run consistently for 20 years will do you infinitely more good than 20 brilliant campaigns introduced at yearly intervals. This is often demonstrated in advertising research where people are asked which campaigns they remember. The answer is, campaigns which have run for a long time, in some cases despite the fact that they may not have run for many years. Once a brand image is established in the minds of the public it is very, very difficult to change the way people see that particular brand. Indeed, research shows that once you have advertised a brand heavily for a couple of years, it is almost impossible to shift consumer perceptions.

Some advertisers are so obsessed with the importance of the brand that they devote nearly all their efforts to registering the brand name, to the point of not even asking people to try or buy the product or service. But the image is not the name alone.

Every communication you make affects the image your public has of you and your product. I once saw an excellent exposition of this point made by Jeremy Bullmore, a former chairman of J Walter Thompson in England. He showed a picture of a sign on a country road drawn in chalk on a rough piece of board. Scrawled capitals said: 'Fresh eggs'. The style and setting of the communication were perfect for the message and the product. An image of bucolic wholesomeness was projected.

**Brand names
are hard to
change**

Then he showed the same sign in the same rustic setting. But the message had been changed – though not the style of the lettering – to ‘Flying lessons’. The audience roared with laughter. The point was made: who would want to learn to fly from people in such a place, exhibiting such a sign?

UNIQUE SELLING PROPOSITION

Your brand image is primarily an emotional construct. Emotion is probably always more powerful in swaying people than reason, but people like to be able to rationalise their choices. This is where, in addition to the ‘reason-why’ approach, awareness of another advertising theory – the USP – can be helpful to you.

The USP, or unique selling proposition, formula was developed by Rosser Reeves, an ex-copywriter who became head of the Ted Bates agency in New York. He wrote an excellent book, largely dealing with this theory but also covering other aspects of advertising, called *Reality in Advertising*.

**One feature
that no one
else can
offer**

To establish your USP, you compare your product or service with your competitor’s. Then you determine one feature you have which no one else can offer. This is your unique selling proposition. It is this which you must promote singlemindedly.

A 1987 issue of *Marketing Week*, the British trade paper, gave a wonderful example of how little the average marketing executive understands the phrases he deploys with such gay inconsequence. The subject was ‘Store credit cards’. A bank executive said: ‘The whole point of a Marks & Spencer, Boots, Dixons or even Fortnum & Mason card is to bring people into the store – and to provide *a bit of a USP*’ (my italics).

How a credit card can be a *unique* selling proposition when the same facility is offered by any number of retailers is difficult to comprehend. It reminds one of people who refer to things as being ‘rather’ unique, or ‘fairly’ unique.

Here are some typical USPs:

‘Cleans your breath while it cleans your teeth.’ Colgate toothpaste.

‘The too good to hurry mint.’ Murraymints.

‘There’s more for your life at Sears.’ Sears Roebuck.

‘It ain’t fancy but it’s good.’ Horn & Hardarts.

‘The mint with the hole.’ Polo Mints.

‘It takes a tough man to make a tender chicken.’ Perdue Chicken.

And, finally, another gentleman in the chicken business:

‘It’s finger lickin’ good.’ Colonel Sanders.

One problem with the USP is that you sometimes have to rely upon some pretty trivial points of difference to arrive at your proposition – as you can see

from the list above. And although for simple products a good USP may often supply a successful selling idea, I think it is difficult to arrive at one for complex services such as American Express or the Consumers' Association. Sometimes the secret is to say what others can say, but say it more persuasively or more fully.

However, comparing yourself against your competition to discover what USP may exist is a great aid to clear thinking. For example, I was able to improve results for Odhams' Kathie Webber Cookery Club by writing a headline which was simply a personal way of expressing a USP: 'My cookery cards mean you control your weight without giving up luscious food you love to eat.' This did well in the UK, and even in France, home of gastronomy. Moreover, subsequent approaches to selling this product revolved around this original thought.

**An aid to
clear
thinking**

POSITIONING: TODAY'S THEORY

A client once unkindly observed that advertising men go very deeply into the surface of things. I think there is truth in this. We are fickle and fairly easily impressed by new, fashionable theories.

Some of these theories reach the far shores of the ludicrous; and where better to find a ludicrous theory than an advertising agency whose very name has given pleasure to many over the years? The agency in question is BBDO – Batten, Barton, Durstine and Osborne – once described by somebody as sounding like a man falling downstairs. One of the founders, George Barton, wrote a successful book in the 1920s which put forward the proposition that Jesus Christ was the first great salesman. But I digress (because I enjoy it).

Returning to today, the fashionable theory at the moment is 'positioning'. An ugly word, but the thinking behind it is well worth your attention.

You might describe positioning as a synthesis of the two ideas of brand image and USP. In my view it is better than either. To try and explain what people mean by positioning, let me take you back 70-odd years and tell you a story.

**Synthesis of
brand image
and USP**

What you *do* is the most important factor in success; what you *say* comes next. But sometimes, the way you say it can have great impact. This was demonstrated when, in 1919, a man called Dick Jordan decided to go into the motorcar business. He launched a car called the 'Playboy' with an advertisement which I have illustrated (see page 82).

**What you *do*
matters
more than
what you
say?**

You will immediately notice two things about this advertisement. First you can't see what the car looks like; second, there are virtually no facts about how it is made, or how it performs. You may think that these considerable shortcomings would prevent the advertisement from working. But they derive from Dick Jordan's problems, and the way he overcame them.

Mr Jordan didn't have much money. In fact he couldn't even afford to make the car himself – he subcontracted the manufacture. So he could hardly

afford to produce a car which was technically superior, more rugged, or cheaper than Ford or General Motors. Even the design of the car was copied on the back of an envelope from a Packard custom model and ‘bumped out of aluminium’ as Mr Jordan elegantly put it.

What he did was to find a unique position in the marketplace: he sold the Playboy as a *fun* car – one which would be likely to appeal in particular to women, who were for the first time beginning to attain some economic power in America. The copy reflects this clearly.

The car may not have been rugged, but in keeping with the positioning, it was lightweight, and he put into it the new Delco starting and

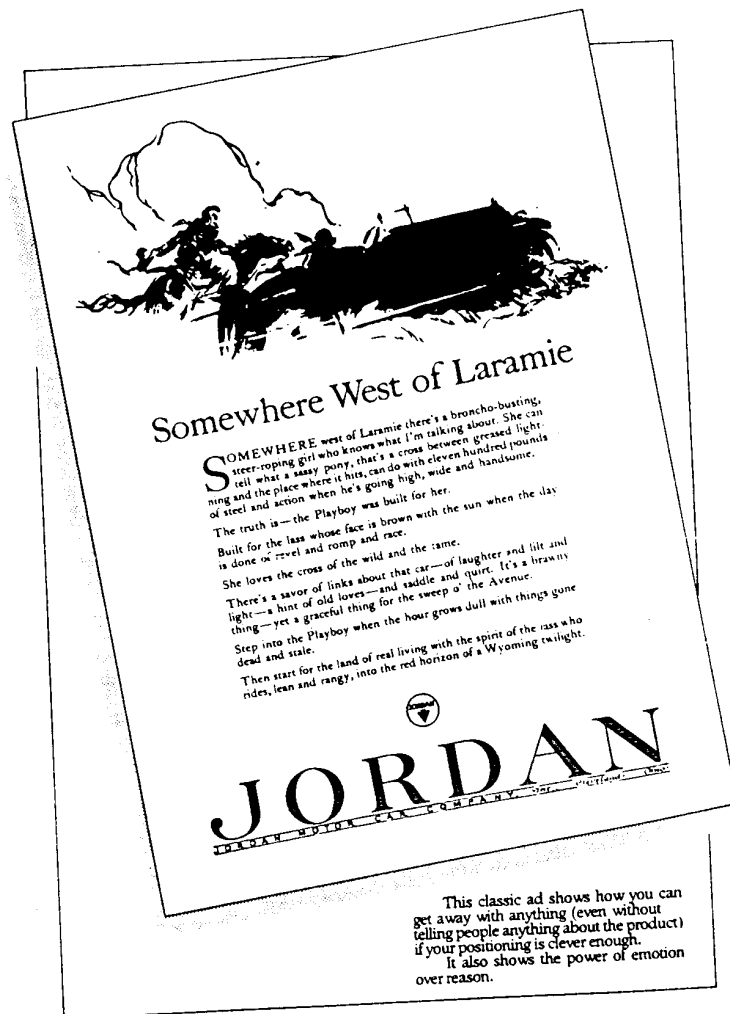


Figure 5.1 'Playboy' car ad

lighting system. This enabled him to talk about the fact that: ‘Any woman could crank a car without breaking her arm.’ Other lines include: ‘Everything that women want in a car ... to hell with the old mechanical chatter ... like a woman likes to look to the man who likes to look at her’ (whatever that means).

In many respects this is not a good advertisement; however, it reflects the positioning of the product perfectly. And this is why, no matter how abysmal the execution, it succeeded, and the product was a howling success.

The Playboy was only sold for around 10 years; the company was liquidated, with a great sense of timing, in 1928; Dick Jordan and his partners made 1,900 per cent on their investment. In fact, as late as 1958, when Jordan died, everyone was still living happily on the proceeds. I do not know of a better example of the way clever positioning can overcome otherwise impossible obstacles.

Positioning is exactly what your commonsense tells you it is. Your position should reflect where you fit in the market; what differentiates you from your competitors – not merely in fact, but in the minds of your potential buyers. What they think about you is as important, possibly more important, than the truth about you.

**Positioning:
Where you
fit in the
market**

The positioning statement

Positioning should be expressed through a short, simple *statement*. It should not be confused with a slogan, though if the positioning and the slogan can be the same, wonderful.

The purpose of the positioning statement is to be borne in mind and conformed to in everything you say and do. And it should not be forgotten that as in everything else in life, it may be a position you aspire to, as opposed to the one you actually have. When you conduct research you may discover that your customers do not see you the way you would like them to. That might be described as position ‘A’. Then, based upon what you have learned about your customers, your business, the future of the market, and your own plans, there will be a second position, ‘B’, which is where you would like to arrive.

The way you handle your customers from that point on will affect your position in their minds; as will where you advertise – up-market media or down-market media. So will the type of language you use when communicating with them, or the type of layout. Everything contributes in its own way to your positioning and to how effectively you move it from point A to point B.

William James, the philosopher, once quoted a carpenter who said: ‘There is very little difference between one man and another; but what little there is, is very important.’

Be similar, but not identical, might be a good maxim when looking at positioning. Look at the strong points of your competitors and see if you can come up with some unique twist which will mean you have everything they have – and a little bit more.

**Everything
affects your
positioning**

'If everyone else does it, then I won't'

If you are a new company, you start with a blank sheet, in which case you might like to remember a phrase I once read expressing the principle of positioning very well. I saw it in the most improbable place, written in a dead language. I was travelling through France and stopped at the chateau of the former dukes of Clermont-Tonnerre. Inside the courtyard of that chateau the family's motto is inscribed. It reads: 'Si omnes, ego non', which one may roughly translate as: 'If everyone else does it, then I won't'. That is a thought well worth remembering: but do be careful. Don't be *so* different that you place yourself outside the mainstream of commerce.

Offer something better

Sometimes – indeed usually – your research will reveal that you have no clear position in the minds of your prospects and customers, or – even worse – you are perceived as being inferior in several respects.

The first thing you must do, as I have already suggested, is to offer a better product or service. That will almost invariably have a greater effect than anything else. The second thing to do is to ensure that whatever you do say about yourself is believable. You will remember my observations earlier about British Rail. In Britain in the 1970s Woolworths used to say in their commercials, 'The wonder of Woolworths'. Everyone in the country knew that the wonder of Woolworths was that anybody went in there at all – their stores were such a mess.

Poor positioning makes ads fail

This was counterproductive. It reflected poor thinking about positioning. And such poor thinking is very common. Sometimes you can look at an individual advertisement and see that poor positioning is bound to make that advertisement fail.

Some years ago a company offered two monogrammed dressing gowns at a good price in the colour supplements. I thought the ad was unlikely to succeed, partly because the creative execution was not very impressive. A good product can always overcome that, but not if the positioning casts doubt on the company's veracity. In the advertisement for these dressing gowns, the company advertising was described as 'Britain's leaders in leisure goods'. They had never advertised before. This alone would get hoarse laughs from the readers. Secondly, to reassure the customers, the company was described as a subsidiary of Tate & Lyle, the giant sugar combine. Why should anyone think a sugar company knew anything about mail order or leisure?

Tell the truth

The sad thing was that the company actually supplied many of the pack premiums to major advertisers. There was a good position there waiting for them if they only told the truth. They could explain that they knew all about buying good value products, that they supplied famous companies, that they had a big warehouse which could get the goods to you fast.

But they didn't bother. They used their imagination instead of telling the truth.

Research your positioning

Once you have decided on possible positionings for your product or service, it's sensible to research them and see which of them your target market finds

credible and appealing. For instance, one of my clients used to sell a wide range of kitchens, bathrooms, bedrooms, doors, windows and the like to the public through retail outlets. We wanted to find out what the right positioning for them could be – and then reflect it in their advertising.

Accordingly, a number of lines were written, each reflecting a different position. I am going to give you these lines with a brief indication as to how consumers reacted to them. This should prove salutary if you ever feel tempted to boast or misrepresent what you offer.

- 1 ‘The best DIY store in town’ – consumers appreciated that the stores were not DIY outlets, so this was seen as inaccurate.
- 2 ‘The ideal home improvement store’ – consumers thought this dealt only in superlatives, which were glib and self-congratulatory.
- 3 ‘The store for top quality home improvements at value for money prices’ – consumers thought this was not distinctive; it was over-used phraseology; nor did it appear credible – people expect to pay a premium price for quality.
- 4 ‘The home improvement store where service really is personal service’ – the idea of service was good news, but not enough; products had to be good, too. In any case, this claim was seen as something other stores like Marks & Spencer could make better.
- 5 ‘Find out what “the trade” has always known’ – people had mixed feelings about the trade. Some thought of it in association with craftsmanship; others thought of cheap workmanship and cowboy operators.
- 6 ‘The store traditionally used by the trade’ – here the same negatives aroused by the previous trade line came up, though in a better sense because of the use of the word ‘traditionally’.

One problem, however, is that the line implies such products need proper experience to install.

- 7 ‘Made to last by us. Sold direct to you’ – this conveyed that the company was personally involved in the making of the products, as opposed to being an importer. Moreover, the line was seen as patriotic, because it clearly meant these were British goods. It also conveyed craftsmanship, durability and the good value you get by buying direct. Readers also appreciated that the line was to the point, not gimmicky. This line came out on top.

**How
customers
judged seven
approaches**

Successful companies tend to have a clear positioning from which they rarely if ever deviate – and then only with great care. I make no apology for reintroducing American Express. It was positioned single-mindedly for many years as ‘the world’s most prestigious financial instrument for business travel or entertainment’. This positioning came out in everything American Express did. For instance, the letter sent out to solicit new members which began: ‘Quite frankly the American Express card is not for everyone ...’. This reflected the positioning so well that for many years in most countries of the world it was the most cost-effective direct mail used.

**American
Express in
trouble**

American Express started to get into trouble as a result of ignoring this position, when they tried to expand their base of customers to just about everyone – they ceased to be true to themselves.

Positioning important to all

Even the smallest enterprise can benefit from thought about positioning. Here is the copy for an advertisement run by a small hotel in the West Country. Almost every word reflects very accurately the positioning of this hotel.

HOT HOME-BAKED ROLLS

Wine-laced dishes with freshly picked herbs. Scrumptious puddings with thick local cream are served in the beamed restaurant of our small Georgian Hotel. Two miles Exmoor and coast. Phone owner-chef Dick or Kay Smith, WHITE HOUSE HOTEL, Williton, Somerset TA4 4QW. Tel: 01984 32306. Try a 4-day

BARGAIN BREAK
& save £30 per couple

You immediately feel the hotel is special. It is old-fashioned. You get good food. The people who run it do the cooking themselves. They even answer the phone themselves – they must *care* about their business. Their establishment is clearly positioned as opposed to a big impersonal modern hotel. (And incidentally this excellent little advertisement even contains an offer.)

One of the big questions about positioning is whether you should position something as bought and appreciated by everybody or as something to be aspired to and enjoyed by a few. Both positionings are perfectly reasonable. One will make sceptics think that if everybody is using it, then it must be good. The other, conversely, will make prospects think that if only a few people have the taste (or money) to enjoy it, it must be good.

Take American Express. If the American Express card is not for everyone, it follows that you will not necessarily see it honoured in every retail outlet. So, when competitors attack American Express – as they do – by pointing out that their card is acceptable in more outlets, the positioning itself helps defend you against these attacks. However, as pointed out above, unless you cleave wholeheartedly to an exclusive positioning, you'll end up with problems.

**Positioning
can change
with the
market**

The most important factor in success, after the product or service, is positioning. Positioning can vary depending upon the state of the market. A New England stove company found that at the time of the mid-1970s' oil crisis stoves were bought as *efficient* log burning alternatives to oil. This type of stove, which had previously enjoyed less than 5 per cent, seized 50 per cent of the market for heating in rural areas.

People became more sophisticated; the stoves sought further distribution; the oil crisis receded; and the positioning of the stove was changed.

Split-run tests revealed that in this new, selective market, people were more interested in the *looks* of the stove. As the stove began to penetrate urban areas, split-run tests found that even referring to it as a stove was a mistake. It became positioned as a ‘fireplace’.

Sometimes the name alone of a product or service can imply positioning. For instance, a former client of mine, North West Securities, finances companies making capital acquisitions. They call the service they offer ‘The Money Programme’. That title implies money *making* as well as money *lending*. It makes more of a promise.

Positioning in tough markets

Positioning obviously becomes extremely important where competition in a market is fierce, especially if the differences between products are minuscule. A typical example is the mail order catalogue industry.

The Next company broke into the mail order market effectively by doing one thing: they promised to deliver goods to the customers within 48 hours, at a time when everyone else in the industry was talking about 21 days. This in itself said more about their dedication to serving the customers than anything else. At the same time they positioned themselves apart from the competition in something they said: instead of calling their catalogue a catalogue, they called it the Next Directory and gave it a distinctive visual style, promised a 48 hour delivery, attracted many consumers – but unfortunately they had great problems living up to that promise, which it took them some time to overcome. One of the most fatal errors you can make is to promise something you can’t deliver. And the more attractive the promise, the bigger the mistake.

**Don’t
promise if
you can’t
deliver**

In the United States the Spiegel company, a very poor fourth in the catalogue industry in 1976 – and which looked like going nowhere fast – changed everything in order to conform to a new positioning. There was nothing to recommend the position they occupied at that time: dowdy, cheap, and selling just about everything to anybody who was prepared to buy. The architect of the transformation, Henry Johnson, decided he would reposition Spiegels as the store which combined the shrewdness implicit in buying direct and thus getting good value for money, with being chic. As he put it: ‘It’s smart to buy from a catalogue, but chic to buy from Spiegel.’

Based upon this thinking Johnson and his team completely restructured the range of merchandise offered, getting rid of items that were dull, dowdy, widely available elsewhere, or in some cases inconvenient to handle – like cut to size carpets, floor-tiles or garden huts.

Because they wished to move to a new upscale customer who was looking for added value rather than cheapness, they dropped items which sold primarily on price – even if they were selling in considerable quantities. As Johnson put it: ‘We were going to become target marketers.’

They introduced high fashion items, designer clothes by people like Kamali, Liz Claiborne, Yves St Laurent and Pierre Cardin. Everything they did fitted in with the new positioning. They started charging for their catalogue. If it was free, how could it be desirable? As people planning to meet the individual needs of sophisticated people, they had to target more precisely. So they started breaking down their catalogue into mini catalogues aimed to meet particular needs.

It was spectacularly successful. Spiegel have pursued this positioning ever since. They ended up running advertisements showing that celebrities like Bianca Jagger and Priscilla Presley buy at Spiegel.

In short, as I have already emphasised, what you say about yourself will never have as much impact on the way you are seen by your customers as what you *do*. Nevertheless, sometimes doing and saying can be combined very effectively. Indeed, the best advertisements and mailings generally talk about something that you are *doing*, as opposed to those which boast about what you *think* you do.

**Talk about
what you are
doing, not
what you
think you do**

One instance of this is a campaign run by the Schwab company in Germany – a campaign which proves once and for all that the Germans have a great sense of humour.

Each of the advertisements makes a free offer to readers if they conform to some unusual, sometimes even bizarre, requirements. In one advertisement the reader is offered a free washing machine if the family has more than 11 children. Ordinary people are advised in the same advertisement that they can buy the same machine from Schwab delivered, fully guaranteed and insured to their home for so many Deutschmarks. In another advertisement readers are told that if they are over a certain (very tall) height, they can have a free jogging suit with their initials on it. Those of more normal stature are advised to buy the said jogging suit from Schwab. (In this particular advertisement, incidentally, a picture of a dog was featured, wearing a jogging suit. Some wag wrote in and ordered a suit for their dog, which the company duly made for them.)

This campaign, apart from generating inquiries, says something to the reader about the company: this is not just the usual inhuman catalogue company. A campaign like this will also influence the *employees* of the company a great deal. It is rarely appreciated that your customers are twice as likely to read your advertisements as other people who are not customers, and your staff are likely to do so to an even greater extent. They are probably influenced more than anyone else by what you say in your advertising – and your positioning.

CHANGING THE RULES

Another fiercely competitive business is that of the book club. The original concept developed nearly 60 years ago has hardly changed at all. Offer a very low-priced selection of three or four books for the opening order to recruit a

**The book-
club concept**

customer, and then ask that customer to *commit* to buying a certain number of books at a higher price. Possibly the only significant development has been that of aiming certain types of book club at certain types of reader, eg a military book club, or a gardeners' book club, or a thriller book club. Attempts at positioning have been perfunctory to a large extent.

One exception which proved triumphantly successful was the case of the Quality Paperback Club in the USA which changed the rules of the game. By offering paperbacks they were able to eliminate the long-term commitment. The offer was three books for three dollars – you then buy as few or as many books as you like. This marketing thinking led to a successful new company. One, however, which came to full bloom only when it was positioned properly. The initial advertising was relatively successful, but results improved enormously when a campaign was produced which treated the customer as an intelligent person, something implicit in the very idea of the Quality Paperback Club.

**How the
book-club
idea changed**

A series of advertisements was run featuring famous literary figures. The one featuring Vladimir Nabokov, for example, had a headline set in Russian with a picture of the writer. Underneath was the English headline: '(Translation: 3 bucks. No commitment. No kidding.)' And in the coupon the line ran: 'OK. Send me 3 books for 3 bucks. Nyet commitment. Nyet kidding.'

An advertisement featuring Hemingway had the headline: 'Tres Libros por Tres Dolares and a Farewell to Commitment. No Bull.' Another successful advertisement ran: 'QPB. The book club that doesn't put pressure on its members.' Underneath was a cartoon which showed a devil poking a man towards two doors. The signs on the doors read: 'Damned if you do. Damned if you don't.' Under this picture, once again, ran the line: '3 books. 3 bucks. No commitment. No kidding.'

This particular campaign *halved* the cost of recruiting a member. The offer was not changed; the product was not changed; only the positioning and the way it was expressed: a book club as something to appeal to intelligent people, done with verve and style. I have illustrated some of these ads in the centre section of this book.

GENERAL ADVERTISING AND POSITIONING

If you look at the kind of brief most general advertising agencies use to initiate creative work, it often has under the heading 'Objectives' two subheads. First, what the advertising is intended to make the prospect *know*. Second, what the advertising is intended to make the prospect *feel*. The thing it does not very often contain is a third heading saying what we want the prospect to *do*. Thus, much general advertising is an exercise in positioning.

The difference between what we, as direct marketers, do and what the conventional advertiser does, is that we want to *inform* people, we want to make them *feel*; but above all we want them to take some *action*.

**The
relationship
between
general and
direct
marketing**

It goes without saying that the positioning must be right. Indeed, there is ample evidence to show that the relationship between the position set up by the conventional advertising and the action demanded by the direct marketing is crucial.

In a number of cases, particularly in the United States, commercials have been run using a ‘head and tail’ which are the direct marketing element asking for some form of action, sandwiched around a core which is effectively a re-statement of the positioning commercial created by the conventional agency. Hardly surprisingly, this is highly effective.

Some of the points I have made in this chapter may strike you as blinding glimpses of the obvious. All I can say is that I have seen some very intelligent people make some dreadful mistakes over the past 30 years because they thought they were too clever to need to master the basics of our business. For my own part, I have found that occasionally reflecting that people do need a good *reason why* before choosing your product has made my task easier. And I have seen millions wasted by people who didn’t appreciate that advertising is *salesmanship*.

I have also found that searching for the *unique selling proposition* is particularly sensible, not only when creating a promotional piece, but when deciding whether a business is likely to be viable.

My belief in the idea of *positioning* is total. By making sure everything you say and do fits in with your positioning you will start to occupy a clear place in the minds of your customers and prospects: a place from which it will be very difficult to dislodge you. In other words, you will begin to enjoy something very rare in business: a feeling of security.

Yet I am constantly astonished at how few people do bother to seek out the right positioning, or to find out how their prospects and customers see them today, with the object of improving the way in which they are seen tomorrow.

Just commonsense

All specialists love to make things sound more complicated than they are, just as the old mediaeval doctors had their hocus-pocus.

When I came to London to seek my fortune, having been falsely informed that the streets were paved with gold, I had to teach a trainee copywriter in my first job. A daunting task, not aided by the fact that he was undoubtedly much cleverer than me. His name was Gopal Krishna Menon, and we became good friends. He enlivened many hours telling me about his uncle, the famous Indian politician Krishna Menon.

I recall asking him on one occasion what he thought of the Indian mystics who were just then becoming prominent, it being the early 1960s. He looked at me in his portentous way, and replied: ‘They are my fellow countrymen trying to make a living. I never knock another man’s racket.’

I suppose you could simply call positioning finding your niche in the marketplace. A good old expression we all understand. But that wouldn't sound quite difficult enough – though it sounds like commonsense to me.

**Find your
niche**

Commonsense also applies, I believe, to the **planning** of your direct marketing, which is our next subject.



6

How to Plan Clearly

'If I was you I wouldn't start from here.'

Traditional rustic reply to a request for directions

*'Beware of making five-year projections, unless
you're thinking of leaving the company after
four years.'*

Stan Winston, Ogilvy & Mather Direct, New York

How do people plan?

Once you have learned where you are now, and where you would like to be eventually, you have to determine how you get there. You have to plan.

If you think the need for a plan is obvious, and therefore that everybody plans carefully, then ask yourself about the advertising most companies run year after year. Why, you may wonder, is there so little consistency? Could it be because people have *no* plan? Or because their advertising is created without any reference to the plan they have? Or possibly their business objectives change every year?

If you think this sounds improbable, let me tell you about the time I had to address a conference on this very subject – how to plan your marketing. The first thing I did was probably what you would do: I tried to find out what was going on. What sort of plans were people making currently? And with what objectives? How did they approach this important matter?

I was surprised at the responses I got. I had expected to discover that people's planning was perhaps less thorough than they thought it should be; or that they set objectives which were too ambitious; or that planning gave rise to heated dispute, even discord, within their organisations.

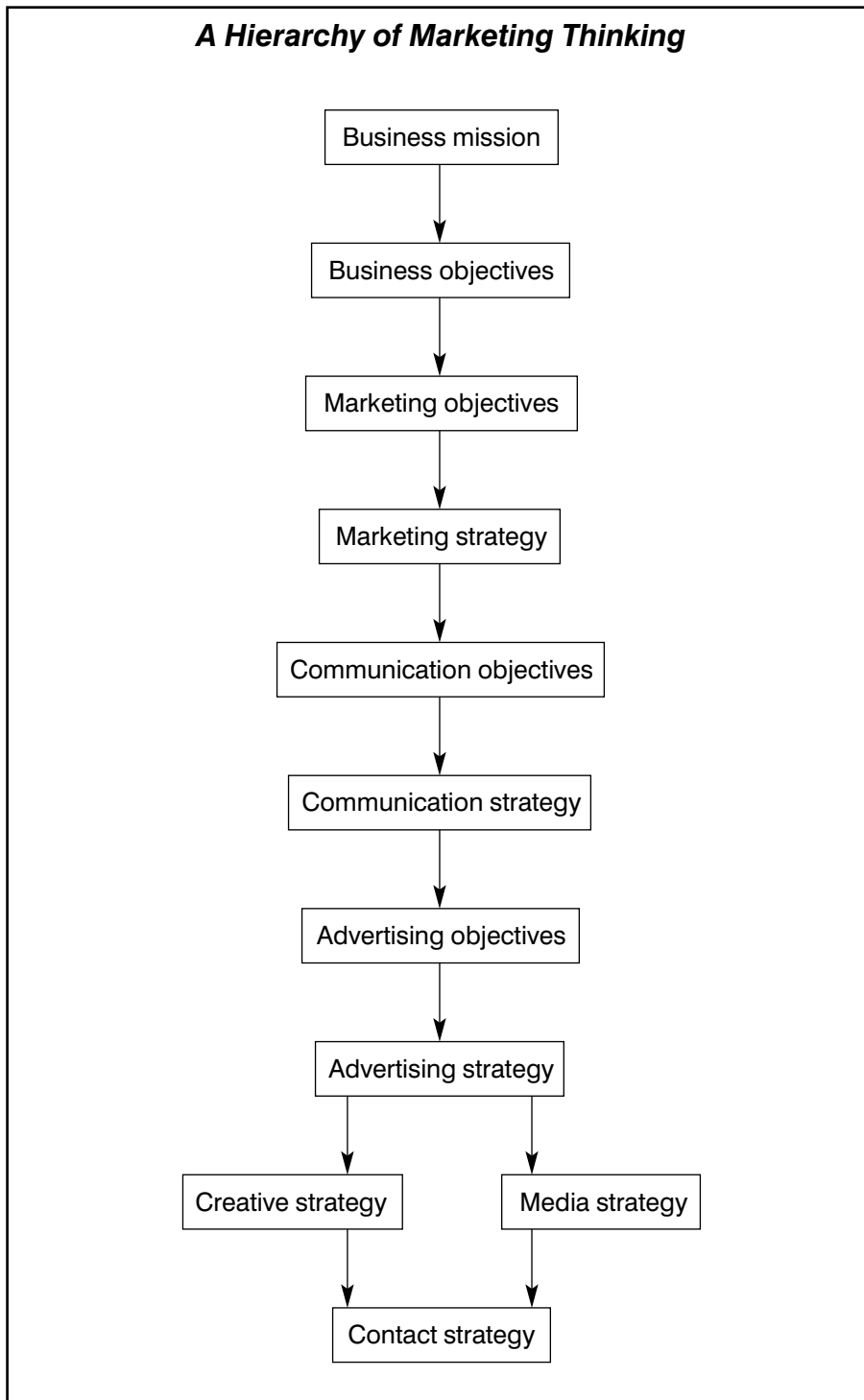


Figure 6.1 A hierarchy of marketing thinking

Nothing of the sort. Most people had no formal business plan whatsoever. The whole thing was done by guess and by God. This may be another facet of that English amateurism I referred to at the beginning of this book.

Most of those who *did* have plans gave two reasons for them. One was: 'We have a plan because I have always had to do one every year.' The other was: 'We have a plan because head office in America insists we have one.' Few showed any great enthusiasm for planning.

One friend, the head of a major advertising agency group, said: 'I have banished these planning documents from my business. In my last job, I spent all my time making plans. Nobody ever seriously evaluated them afterwards to see whether a plan had been successful, and if so why; or if not, why not.'

A somewhat extreme view, you might think. But another authority, the head of Porsche Cars in America, said that when he was asked to submit a plan, he naturally consulted other chief executives to learn what they thought. The general feeling was that because of the unpredictability of life nowadays, it's almost impossible to make a plan which allows for what might happen in the future. For instance, two occurrences which have had a dramatic effect upon our economy, neither of which was predicted, were the oil crisis of the 1970s and the Stock Exchange crash of 1987.

**Any plan is
better than
no plan**

Nonetheless, I believe that with all its faults any plan is better than no plan at all. As circumstances change, you can adapt your plan. If you have no plan at all, you are operating in a very unsafe way. And if your plan is in your own head, what if you get run over?

You need a written plan which is carefully thought through. However, clear planning is so contrary to human nature that all the endeavours in the world seem unable to enforce it. Our frivolous minds seem to prefer the erratic path, to go scampering after every enticing little thought we conceive.

**What a
planner does**

The importance of planning has been recognised to such a degree in the advertising business that there is now a vogue for a new type of individual: the *account planner*. A colleague of mine defined this person as being 'the customer's representative within the agency' because he or she will try to establish what the prospect or customer wants, how they think, how they should be approached, and what effect the advertising has on them.

The account planner is a hybrid. He is not an account handler, though he will spend time with both the client and the creative department. He is not a researcher, though he will often commission and evaluate research. He is a thinker: it's his job to make sure things *are* properly planned. This job used to be done (and continues to be in many agencies) by the account handlers, working in concert with the creative department, the research department and the client. To be honest, I can't think why it shouldn't be still: but that's another matter.

ELEVEN STEPS TO SUCCESS

Winston Churchill said on the subject of writing: 'Use simple words everybody knows, then everyone will understand.'

I have a *passion* for simplicity. This is because I do not find it easy to understand new ideas quickly, but if I have simplified them enough in my own mind, I can communicate them quite well. This approach suits me, and I have found it suits most other people, too.

However, before giving you my simple recipe, let me outline the *formal* approach to planning in direct marketing. I am indebted to my former partner in London, Rod Wright, for the sequence shown on page 93.

You must start with your **business mission**. What are you trying to achieve? From this you will be able to establish what your **business objectives** should be over the planning period. For example, with many hesitations along the way, Europe has almost become a single trading area. This gives companies opportunities to branch out more easily into other European markets. It also poses problems. Are other people going to come in and steal the market share you have at home?

When preparing a plan, no major European company can really ignore this single market. Suppose your business mission is to become the world's pre-eminent office systems company. You may have to adapt your business objectives to allow for the way you think your Italian or German competitors are going to behave. Whereas previously you might have been determined to drive them into the ground in your own home market, you might now simultaneously wish to protect your position in your own country, whilst gaining a foothold in their home markets.

From these intentions you will derive your **marketing objectives**, and flowing from them your **marketing strategy**. Thus, in your own country your objectives may be to protect your present customer base whilst also trying to recruit as many new customers as possible. In the markets where you wish to gain a foothold, you might have objectives such as setting up an effective sales and distribution network so as to be able to recruit new customers and service them properly.

Your marketing strategy will depend upon your original business mission. If you wish to be pre-eminent, have you decided that this position will be achieved through low prices? Or should you maintain a high margin, but add value, and thus be perceived as a company that concentrates on quality, not price?

Let us assume the latter, because all indications are that it is by far the safest position to occupy. This brings us to step five: your **communication objectives**. They might be to tell your customers and prospects that you care more about them, which is why you give them added value.

Your **communications strategy** – step six – may well be to build a database of customers and prospects, which you can use to initiate a long-term relationship. This relationship will centre upon communicating the added-value message we've just mentioned to selected *individuals* (and you will notice that here the emphasis which we as direct marketers place upon the individual comes into play).

Hierarchy of marketing thinking

What do you want your advertising to achieve?

The next step, of course, will be your **advertising objectives**: what precisely do you want your advertising to achieve? What do you want your customers and prospects to *know* about you, to *feel* about you? And what do you want them to *do*?

Because you've followed such a logical sequence, it's all fairly simple by now, isn't it? You want them to *know* you're a company that doesn't offer bargains; it offers added value for your money. This demonstrates in a practical way what you want people to *feel*: that the company cares about them. And, of course, what you want them to *do* is to initiate a relationship with you if they are prospects; and to cement further the relationship they have with you already if they are customers.

The **advertising strategy** would be to convey those messages through appropriate channels. You might choose television and public relations to project the image you are aiming for. Sales promotion and special offers in advertising could add names to your database. Then you might use direct mail and telephone to build a stronger relationship with each individual – and, of course, make sales.

Your next step – number nine – is your **creative strategy**. How ought you to say the things you wish to say? What tone of voice are you going to adopt? What advertisements, mailings and so on do you feel are appropriate?

Your **media strategy** will be considered at the same time. If you're going to go on television, which channels? If you're going to use PR, which publications do you want to get coverage in? The specialist press? The national press? The same thing will apply to how you might wish to build your database. *Where* are you going to make your offers so as to reach the right individuals?

Finally – the eleventh step to success – comes your **contact strategy**. At what points in the relationship between you and your prospect and customer are you going to communicate? When and how will you use the media you have selected to reach each prospect or customer?

Emphasis on the individual

Here, once again, the emphasis you as a direct marketer place upon individuals as opposed to masses is critical. Take two people you wish to sell to. From studying the database, you may discover that one is much more likely to respond to a certain offer than another. Or perhaps that one is more likely to influence an ultimate purchase than another. That means you can afford to spend more money to contact and communicate with that particular individual. This, in turn, will influence your contact strategy.

Let me give you a simple example, illustrated elsewhere, which makes the point well. In Belgium we wished to sell a new copier to customers who had obsolescent machines. A most attractive offer was made to our prospects; an offer so appealing that we felt it worth not simply mailing but telephoning these people in advance of the mailing to tell them this offer was coming. The response rate was so high – in some cases over 50 per cent – that it certainly justified a follow-up on the telephone, and even a second mailing after that.

Your contact strategy will, of course, be influenced not merely by the appeal of the offer but by other decisions you have made earlier on in your planning process. In the case-history just mentioned it was extremely important to the client that the obsolescent copiers be replaced.

In fact, any part of the planning process must be viewed in the context of all other parts of that process. To take a simple instance, replacing obsolescent copiers may be a goal which flows from your business mission as much as it does from your marketing strategy. This will give it a high priority. It might even pay to lose money on such an exercise: to put in place a very expensive programme. On the other hand, if it were of low priority then a much less intense contact strategy might be called for. Possibly just a single mailing.

**Have an
interrelated
plan**

FIVE QUESTIONS YOU MUST ANSWER

Once you have determined your objective, to make your plan *work* you must look at things from the point of view of the people you are addressing. You should be viewing your own company and your own objectives from their perspective. It is from their perspective that any communication must be planned. If what you do does not make sense to them, to those vital individuals, you are heading for trouble.

If you look at it with them in mind, here are five simple questions I think you should be able to answer.

- 1 **Who** are you talking to?
- 2 **What** are you trying to get them to do?
- 3 **Why** should they do what you want?
- 4 **Where** do you find them?
- 5 **When** should you speak to them?

What is more, on an alarming number of occasions, marketers fail to do something even more obvious: tell people precisely what they are selling.

On page 99 I have illustrated two advertisements for a marking gun, a little machine that prints price labels onto supermarket cans. They both appeared in the same publication. They are interesting because they demonstrate how easy it is to ignore some, if not all, of these important questions.

The first advertisement with the drawing at the top actually appeared in colour, so it cost more than the second, in black and white. Yet it pulled only a *fraction* of the number of inquiries.

The reasons for this are:

- It is not clear immediately **what** the product is. The art director has chosen to use a close-up drawing which makes it look like some strange ship's prow.

**Be precise
about what
you sell**

**Why the
advertisement
failed**

Even if the confusing illustration were removed, the headline would not tell you what the product is, because the headline is a contrived piece of work which conceals the nature of the product.

- It is addressed to the wrong prospect: the **who** is wrong.

The copy makes the point that this type of gun can go round corners, thus making the job of marking easier. But the person who marks the cans – almost invariably a junior employee – does not buy the guns.

- Because it is addressed to the wrong person, the reason for buying – the **why** – is wrong.

In the advertisement we created (in black and white) for the same product it is *instantly* clear what the product is, and what benefit it confers on the prospect, who is the supermarket owner.

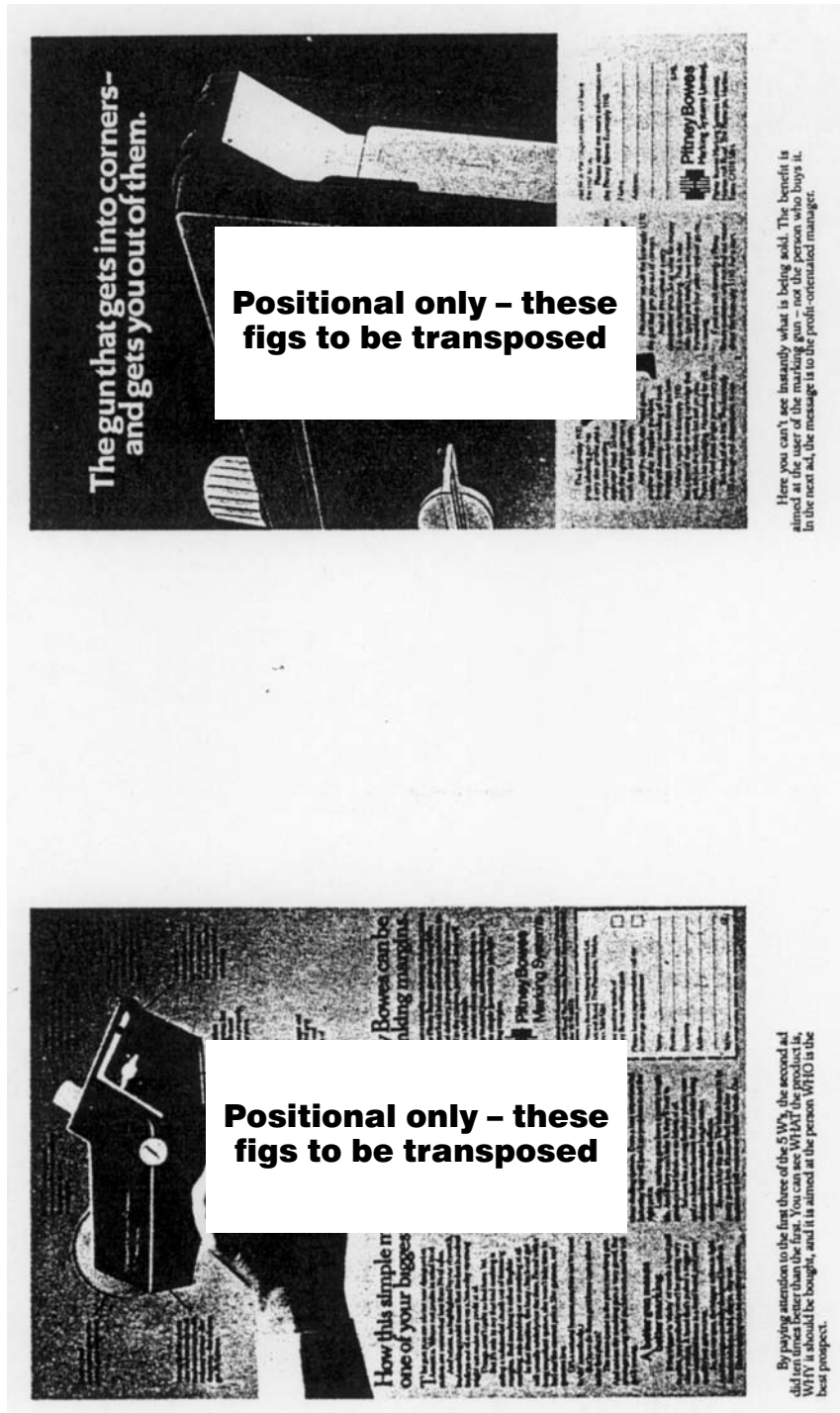
The advertisement was in fact written by my former partner, John Watson – one of the best copywriters I know. It got ten times as many replies as its predecessor. The reason, I think, is that John did a lot of research into what goes on in supermarkets as a result of bad marking. He also examined (or as he always says, ‘interrogated’) the product itself very carefully to see how it worked. And he thought carefully about the motivations of anyone wishing to buy such a product. Quite clearly, once you have realised who the right prospect is, money is the major issue. In addition, of course, he was able to tell a much longer and more convincing story than was told in the first advertisement.

Apart from the factors I have mentioned above, which revolve around the creative thinking before the job was done rather than the execution itself, I think another ‘W’ has been ignored in *both* ads. And that is **where** to reach the prospect. In my experience direct mail is almost invariably a more effective way of getting responses from people in the grocery and supermarket industries than is advertising in the trade press.

What is more, if I am right, then the mailings could have been *timed* to fit the journey cycles of Pitney Bowes salesmen. The **when** would have been better handled. Indeed, if a proper database had existed at that time, the company might have known what *kind* of supermarkets would find these guns most appealing; at what times they were most likely to buy; and even who the relevant influencers, specifiers and makers of the ultimate buying decision were. Thus the whole exercise would have been carried out infinitely better.

The first W is the most important

You will not be in the least bit surprised to hear that of all the five Ws, in my view the *first* is the most important. Everything else is to some degree a matter of fact; but ‘Who’ involves individuals, and they can never be neatly categorised. Yet thinking carefully about what makes them do the things they do is vital. And sometimes the answers are most surprising.



**People care
about one
another**

A few years ago I was particularly struck by an article in a Sunday paper about a Japanese company. They had a real problem with the slipshod typing coming from their UK office. Requests, directives and exhortations had no effect. The girls in the Tokyo office had the idea of adopting a *personal* approach to this problem. They sent signed photographs of themselves to their counterparts in the UK. They started to make friends. And this direct, personal link did the trick.

People don't care about impersonal companies. They care about other people. And they make decisions for emotional reasons rather than rational ones. I can't implore you strongly enough to think about people and what they are like.

I spent a very frustrating day some years ago driving to see a totally uninterested prospect on the south coast. But I got something out of it. Talking to the man I went with, I learned that he had once worked for Sir Charles Higham, a legendary pre-war advertising figure. I asked him what this famous man was like.

'I once took him a piece of copy. He looked at it and put it down. Then he pointed to the wall of his office where there was an enormous blow-up of the FA Cup Final crowd. "Those are the people you are writing for. Now go away and do it again."'

**Would you
say that to
someone you
know?**

It would seem that advertising tycoons are quite similar on both sides of the Atlantic. Fairfax Cone was one of the founders of Foote, Cone & Belding. Apparently whenever he saw a piece of copy he didn't like he would look over his glasses at the writer and ask: 'Would you say that to someone you know?'

It is all about *people*. From thinking about them you arrive at what will persuade them. You cannot make them do what they don't want to do, or change their beliefs: you have to go along with what they want.

When I was speaking at a conference in Monte Carlo in 1982, one of my co-panellists was the beautiful Marie Dumont. She had written (like a true Gallic intellectual) a very acute rationalisation explaining why she had been successful in selling magazines to French women. 'You must be able to sense the way women are feeling at a particular moment ... to catch that sentiment and to ride with it,' she said.

How true! We cannot *create* feelings. We must learn how the tide is running in people's minds, and float our messages on its surface. But how do you find out what your customers are thinking? One of the best ways is the most obvious, yet how many do it? Read their letters. Sometimes this will tell you more about them than any staged focus group or research project.

KEEP IN TOUCH

'Man is a gregarious animal,' said Dr Johnson. Human beings like to communicate, particularly the English. A Dutch bulb grower wrote to all his customers throughout Europe, politely saying he hoped their gardens were

doing well. From most countries he got the odd reply. From England, he got letters by the thousand.

If you're starting up on your kitchen table, you will naturally read the mail. Don't stop doing that as your business prospers. Keep in touch. If you're not in the mail order business, then make a point of meeting your customers. This is something which in my experience the majority of senior executives don't do nearly enough.

Meet your customers

By reading correspondence, you can learn the most surprising things. I once wrote advertising for a headache relief powder. One letter we got was from a woman who used it to soak her tired feet. Whether this would have led to a whole new advertising approach I don't know – but that letter told me a lot about my customers.

Sometimes, meeting customers can be a more hair-raising experience than you might imagine. In the 1960s I worked for a fashionable advertising agency called Papert, Koenig & Lois. My Creative Director was a well known US copywriter called Joe Sacco. He was extremely keen on people going out to see the customer. I well recall arriving in a rugged part of London's East End and trying to explain to a very large man at eight o'clock at night that I had come to talk to his wife about washing machines.

From Joe I learned the importance of translating people's ordinary needs into the emotional messages that make them buy. I also acquired a deep distrust of judgements made by advertising and marketing people. Joe had been largely responsible for a detergent campaign which, universally execrated by sophisticates, was nevertheless the most successful ever: the 'White Knight' campaign for Ajax detergent. Research revealed that women hated dirt and saw their lives as a constant battle against a rising tide of filth. If only they could make it all disappear as if by magic ... if only someone would come along and do the job for them!

The most successful detergent campaign ever

In the White Knight campaign, that's just what happened. To the chant of 'stronger than dirt', a champion on a white charger dashed everywhere touching things with his lance, and turning them white. 'Abysmal! Ludicrous! Puerile! Insulting!' cried the advertising pundits. 'Stunning! All records smashed! A miracle!' said the sales figures.

The campaign transformed the balance sheet of Colgate Palmolive. For the first time ever, they suddenly became real competitors to Procter & Gamble and Unilever. It succeeded everywhere in the world, in all sorts of transmogrified versions, like the White Tornado – a sort of climatic detergent – and the Mississippi gambler – a dream-like figure wearing a white suit who waltzed round the kitchen with the housewife, obliterating dirt.

If the research on this concept had been accepted literally, the campaign would have been rejected as too fanciful and far out. If the experts had been listened to it would never have got to first base. I believe this is also true of the Marlboro cigarette advertising – probably the most successful campaign in its category ever run.

So look at the research, and listen to the experts by all means – but neither will be as important as your ability to understand your customers and their emotions – and apply that understanding imaginatively.

HOW TO UNDERSTAND YOUR CUSTOMERS BETTER

Julius Rosenwald, the great merchant who begat the mighty Sears empire in America, said that he wished he could stand on both sides of the counter at once. What a wise observation; for it is only if you can look at things from the customer's point of view as well as your own that you can understand how to sell to them.

For many of us this poses a problem. The more you succeed in business, the greater your income becomes and the more your personal circumstances change. Thus you become more and more removed from the market. (In fact, now even the new recruits to our industry tend to come from highly educated middle class backgrounds – the kind which militate against any understanding of ordinary people.)

I have already suggested you should read the incoming mail from your customers, and meet them whenever possible. Here are three other intelligent things to do – particularly if you fear you may be moving in an increasingly rarefied atmosphere:

Three ways to get in touch with your customers

- 1 Talk to your sales or telephone people; sit in on their sales pitches, listen to their conversations with customers.
- 2 Go shopping in a street market at least once a month. While you are at it go and sit in a crowded pub and listen to ordinary people.
- 3 Invest regularly in group discussions amongst your customers, or street interviews. Get your creative people involved in these. Even if you have no specific objective, I am sure you will be surprised at what you learn.

By doing all these things you will undoubtedly find it much easier to understand all those people out there, what it is they want out of life, and how to talk to them in language they understand and appreciate. You will also be vastly entertained.

One of the things you will certainly learn is that people very rarely devote as much time to speculating about the wonders of your advertisements and mailings as you do. Indeed, they are almost entirely indifferent to them.

For this reason, they do not spend much time trying to puzzle out what you're trying to say. So if you don't make it extremely clear what it is you're selling right from the start you are on a hiding to nothing.

Don't be too clever

One instance of this, which pointed out a number of other rules, like 'don't be too clever', came in the case of two advertisements for the same product. These

are shown in the illustrated section on pages 187–202. It was an industrial type of vacuum cleaner being sold off the page. The price was good, and the product had the unique characteristic that it not only vacuumed up dirt; it could also pick up small pieces of debris, such as glass or stone, and even liquids.

One advertisement for this product had the headline: ‘The Jet Stream eats almost everything. Only £54.95’. And above it ran a line of captions saying: ‘Devours dirt’; ‘Scoffs leaves’; ‘Guzzles water’; ‘Gulps glass’ over some very imaginative cartoon drawings. Many people in our agency at that time thought this advertisement was so clever and creative that it would sell extremely well.

The other advertisement had as its headline: ‘Now, a high-power vacuum cleaner that picks up liquids too. The Jet Stream 850 from Shelton. At only £54.95, it actually costs less than ordinary cleaners’. The copy went into great detail about the product, and a series of photographs showed the machine in action.

The straightforward – even dull – approach was astonishingly successful. The clever approach was so disastrous that the gross sales did not even cover the cost of the space. Why? Because the successful advertisement told you instantly what the product *was*. It also gave you a couple of good reasons for buying it in the headline. And the information was presented in a way anybody could understand quickly.

The unsuccessful ad had a headline which was meaningless unless you knew what was being sold. In addition, an important element in the successful advertisement lacking in the unsuccessful one was that it *showed* clearly and convincingly with photographs what the headline said the product would do – I call this ‘word-picture lock’. The other advertisement did *not* show clearly what the product did. It also relied on cartoons, which may have been entertaining but were not as believable as photographs.

Since these advertisements ran I have seen the results of a series of studies which show that if a picture and a headline do not reflect each other and the product, consumers find it hard to understand what is being advertised. And if they don’t *understand* what is being advertised, it is very unlikely they are going to *buy* it.

In fact showing a thing and saying what it is at the same time is usually the best way of communicating. I remember years ago reading that words and pictures working together are up to five times as effective in communicating ideas as either on its own. When you begin to plan your communications, one thing you must devote a lot of time to creating is this one compelling combination that conveys the essence of your product or service and its benefits.

You can probably think of famous examples of this yourself. The best I can summon to mind at the moment is the famous graphic used by Hertz for many years of a man magically descending into the driving seat of a car, with the line ‘Hertz puts you in the driver’s seat’.

Why one advertisement beat the other

Show what the product is

Flop into success

A much simpler example dates back to the start of the THB&W agency in 1977. In those days, we were takers-in of other people's dirty linen. If someone had a hopeless product, we would ask them to give it to us and see what we could do in the hope of getting all that business. It was good training in a hard school.

One company gave us a product they were about to sell off as a job lot. The product was described in the existing advertisement as a 'Regency Ensemble'. Could you tell what that is? I couldn't.

In fact it was a carved beech case which contained a set of dials: a clock, a thermometer, a hygrometer and a barometer. All with a regency-style pediment atop. The existing headline made the bathetic statement: 'Functional things can be beautiful, too.' The writer had obviously not thought too long about the problem of how to describe it. He had simply given up.

Who is the advertisement aimed at?

Knowing the company in question, a bunch of cheapskates, I suspect he hadn't been given too much time to think about what he was doing. Consequently, he had not given much consideration to the people he was aiming the ad at. They were relatively uneducated customers who wouldn't recognise an ensemble if it came up and kicked them in the teeth. It was a word they would never use.

The new ad we prepared revived the product for another year. But it was not remarkable: it simply told people what the product was. The main headline ran: 'The "Regency" 4 Instrument Clock Forecaster'. And in an overline it described each of the functions it performed. It *showed* the product and *told* you what it did. Word-picture lock.

This advertisement attracted attention as well as money. It was parodied by *Punch* magazine. This is the headline they ran:

THE CHIPPENDALE 4-MODE HOME COMPUTER

The overline ran:

Hand-worked luxury for the discerning, sophisticated few – at prices just a fraction of those you would have to pay in Hollywood, Belgravia, Paris, Honolulu or parts of Rome.

This was followed by:

Wake up to the technological miracle of an appliance lovingly fashioned by Black Forest craftsmen in solid, natural, satin-look, creamy-beige balsa – and embellished in 100% tin.

I once showed this parody to a prospective client. He gazed solemnly for a while, then said: 'I don't think it will ever do well.' I formed the conclusion that the man was solid balsa from the shoulders up. We got his account but he proved difficult to deal with. You don't need to add to all your other problems by dealing with people with no sense of humour.

Why such vagueness?

Why *do* people fail to describe products or services accurately? I think the reason is composed of one part sloth, one part cowardice and one part presumption.

Sloth being the unwillingness to spend time working out how to describe something accurately. Cowardice being a lack of faith in what is being sold, leading to the belief that if you come right out with what it is, nobody will want to buy it. And presumption because the writer *presumes* people know what you are selling simply because there is a picture of it, or a vague description.

Some may. But many won't. And if so, you have automatically lost a high percentage of your potential sales.

A very common fault is that the writer takes refuge in word-play, thinking this will substitute for information. This is rarely the case. You must work out how to describe what you're selling, and do so as precisely and briefly as possible. If it sounds boring, say it in a more interesting way, or get someone else to do the job – someone who *believes* in the product or service. At some point you will *have* to tell people what you're selling. You might as well get on with it.

The average advertisement is seen for a few seconds. If you were to start in the morning when you get up and count the number of advertising messages you're exposed to, it runs into hundreds. Every poster. Every commercial. Every newspaper ad. Every magazine ad. Every bus side. Every sign in a shop window. They're all screaming for your attention. And that's not including the mail and door drops that reach you every morning.

Accordingly, you want to know *instantly* what the product or service is. What's it all about? What's in it for you?

The last is the most important. Sometimes the most effective communication may not in fact start by showing the product or describing it. It may start by concentrating on its benefits. In any case, until you have clearly defined and written down what it is, you will have a problem.

This demands that you subject the product or service to rigorous examination. Look at it. Play with it. If it's a piece of merchandise, drop it on the floor. Tear it apart. Analyse it. Think about it. List all its characteristics, then look for the *buying* proposition. People often talk about *selling* propositions but I always prefer to look at it from the customer's angle. In terms of benefits, not attributes.

Thus, the attribute of a car may be that it will go in seven seconds from 0–60 mph. But the buying proposition – the thing that will turn you on – is the exhilarating sensation of power and speed you experience; the ability to overtake quickly; to get away from the lights faster than the next car; or accelerate out of trouble when you see someone coming towards you as you overtake.

Describe the product precisely and briefly

What's in it for you?

WHO KNOWS WHERE OR WHEN?

The remaining two Ws are concerned with your choice of media, and your timing. **Where** and **When** will you meet your prospect? They are covered to

How company sales grew tenfold

some degree in the chapters on media and database. In some ways these questions are more easily answered than the other three Ws: Who, What and Why.

There is one maxim I would like to emphasise to you, because it is far too little appreciated. It is this: your customers want to buy when *they* want to buy – not just when *you* want to sell.

One of the great US mail order success stories is the LL Bean company which sells outdoor clothes and tackle. In a period when they increased their number of catalogue mailings from two to thirteen per annum, their sales grew tenfold.

Many direct marketers communicate with their customers too rarely, in the fond belief that for some reason they will all be in a mood to buy exactly when the six-monthly catalogue or special offer comes out. This is a somewhat arrogant assumption. It may be true that most people are more likely to purchase a number of things just before Christmas or in the springtime. But don't put *all* your faith in this.

A better way of looking at it is that if you give your buyers more opportunities, or excuses, or reasons to buy, then they will. Study of them and their characteristics will help you produce appropriate rationales. Here are a few examples.

- 'It is now a year since you first became a customer of ours. I am writing to thank you; we really appreciate your business, and I'd like to make you the following offer.'
- 'I see it is your birthday next week. I have, therefore, taken the opportunity to review your investments with us. As a result, I have some recommendations I hope will prove appropriate, based on what you have told us about your circumstances.'
- 'The budget is coming up, and the Chancellor will probably radically alter the system for tax relief. This is a good opportunity for you to ...'
- 'Although *you* are one of our best customers, we have never had the pleasure of dealing with your wife. Accordingly, may I suggest ...'

The more you communicate, the better

It is not very good copy, but you probably get the idea. The more you communicate, with good reasons to communicate, the better you're likely to do.

Moral: you may easily be able when planning media to find out **where** to reach your customers, but don't underestimate the number of occasions **when** you should hit them.

WHERE YOUR MONEY WILL DO MOST GOOD

In this chapter I have looked at planning from two very different points of view. From within, as it were; starting with your own organisation's objectives; then, from outside: how what you do affects your customer.

Clearly, your customers are only affected (or not) by the communications you finally make. The customer is not interested in – or even aware of – all

the effort and planning which lead to those communications. Yet if this process is not carefully conducted, then those communications will not do the job they should. That being the case, where should you direct your attention, your time and your money to gain the greatest benefit?

The answer to that, in my experience, is almost invariably *not* where most companies do lavish most of their time and energy, which is in two areas: how much it's all going to cost; and fiddling about with the minor details of the communication which finally goes out.

Take the case of a client who wrote lamenting the prodigious *fee* he was having to pay for a new mailing pack. You will not be surprised that despite the air of lordly impartiality I have tried to project in these pages, I was just as interested in the subject of money as he was.

My initial reaction (biased perhaps) was to point out what a splendid investment it was, and what a wonderful mailing pack it would be. This argument, based largely upon my own belief in the excellence of our work, struck me, upon reflection, as somewhat weak. Accordingly, I thought further about what the investment he was about to make could achieve, and whether it was money well spent. Let me therefore outline to you the likely effects of the mailing we were discussing and see what conclusions one might reasonably come to.

This mailing was planned as part of a series of tests. It was being sent out in the first place to 50,000 prospects. If it did better than the existing control mailing, it would become the new control. That meant it would then be rolled out to over a million names this year, and next year it would be used again. If, at that time, it continued to do better than any tested alternative, it would be rolled out once again.

As it happens, this particular client is international. This other mailing could then be adapted for use in many other countries. In fact, quite possibly millions of pounds could be spent on this particular mailing – *if it proved good enough to beat the existing control* – ie the best mailing they were currently using.

And if it *did* prove to be that good, it would generate millions of pounds of additional profit. As chance would have it, it was a success, but initially, the argument revolved around a few hundred pounds more or less. Now I am not suggesting for a moment that you should not be concerned about getting good value for money. I think it's very important. But it is even more important that your concern should be directed properly.

A hundred extra pounds – even a few thousand extra pounds – will enable the agency to apply more resources to this particular problem, think harder, concentrate more on that mailing. That time, bought by that money, could well make all the difference between having a new control mailing or just another run-of-the-mill effort.

If the agency looks at the job and says: 'Well, there's only a limited amount of money; we can only spend a certain amount of time and effort on

**Where
should you
direct your
attention?**

**A foolish
economy**

this', and the mailing isn't as good – and doesn't do as well as it might do – then what will happen in the end?

The answer is simple: possibly more money will have to be spent to achieve the results that might have been reached. Maybe hundreds of thousands of additional names will have to be mailed. Or, quite possibly, a new mailing will have to be created. Indeed, if you reflect upon what that mailing *did* do, and its worldwide and long-term potential, that initial saving would have been exceptionally short-sighted.

Fight for time

Now you may be thinking I am talking about a very special case applying to a company where large sums of money are involved. Not at all: the principle we can derive from this little story applies no matter what size your company may be.

What I am talking about really is not money, but time and effort. In my view you are best advised to apply most of your time and effort *early* in the direct marketing process. Because if you don't, you will almost certainly end up spending a great deal more *later*, trying to put right the results of doing things on the cheap to start with.

The moral is that simple. Fight for as much *time* as possible, as much *effort* as possible by everybody in the early stages of your programme. Fight for investment in research. Devote money and time into considering your positioning. Into discovering more about your prospects and what they want. Into learning about the likely reaction to your mailing packs. And when creating and producing that creative material, look for the best, not the cheapest.

Get it right to start with

You will be astonished how much time and money you will be able to find when, in the end, the work that you skimmed fails. All because you didn't give sufficient consideration to getting it right in the first place. You will be amazed how much frantic effort you have to devote into developing new offers (often in a hurry) because the one you threw together to start with, without thinking carefully (or paying enough), flops. If something fails, you will never remember how much money you saved. If it succeeds, that little extra time and money you expended will seem a wise investment.

A famous author once observed: 'That which is written without effort, is generally read without interest.' My experience is that that which is *planned* without effort, is generally read without much interest either. And very frequently that which is done on the cheap can cost extremely dear in the end. As an American colleague of mine once said to me memorably: 'What you end up with is four monkeys in a back room churning the stuff out.'

Media: A Different, More Flexible Approach

*'Statistics are a highly logical and
precise way of stating half-truths
inaccurately.'*

NASA archives

'He reclined in a somnolent posture.'

Stanley Holloway, referring to Wallace,
the lion that ate Albert

If you have spent much time in agency presentations, you will be aware that shortly after the media man stands up many clients fall asleep.

Media is not an easy subject to make interesting – indeed it is not even easy to make comprehensible. But it is very important, since, after the product and its positioning, reaching people through the right media at the right time is the prime determinant of success. Even a boring message to the right people can succeed if it is timely. Even the most brilliantly conceived one will fail if poorly aimed.

Moreover, if your background is in conventional marketing it is vital that you understand the significant difference in approach to media employed by direct marketers as opposed to general advertisers. You may have to forget some things you have always taken for gospel.

**A prime
element of
success**

FIVE MAJOR DIFFERENCES

The professional direct marketer's approach to media differs in five ways to that of the general advertiser. All these differences stem from the three 'Graces' of direct marketing which I enumerated earlier.

First of all, you speak to individuals rather than masses; second, you test to discover what works and what doesn't – and adapt accordingly; third, you think in terms of a continuing series of communications.

Here are the five differences you should bear in mind:

The direct marketer's differing approach

- 1 The various media do not enjoy the same relative importance conventional marketers assign them.
- 2 The effectiveness of media is often evaluated differently.
- 3 Schedules and budgets have to be designed to make allowances for a great deal of testing.
- 4 The concept of repetition is viewed in a different way.
- 5 The effect of space size is regarded differently.

Let's look at these important differences one by one.

Different emphasis

The relative importance to direct marketers of each medium is almost the reverse of that given by a general advertiser.

The mailing list – be it a rented one, for instance, or a selection of names from a particular database – is the medium you will rely on most. Other media, which you would scarcely mention in general advertising, are very important, too. Door-to-door drops, take-ones and inserts are typical examples.

The telephone, outbound and inbound, now plays such a significant role that it is the largest single promotional medium in the United States. In some countries unsolicited outbound telephone calls are forbidden. Therefore the role of the telephone will vary according to the legal situation in your country.

Television, in many countries the number one general advertising medium, is usually a secondary medium for the direct marketer – though its use is growing fast.

The potential of television has scarcely been exploited in most European countries because of the very limited amount of commercial time available. In the United States, on the other hand, television is a major direct marketer's medium. Radio enjoys even less attention than TV nowadays, though in the 1940s and 50s in the USA it was described by a knowledgeable friend of mine as 'hot as a pistol'. However, it remains a powerful medium, particularly for generating leads for financial services.

In particular, a new type (well, really an old type that has re-emerged) of programme is making major inroads. This is also true on television. This is

the infomercial: a programme which may last for as long as half an hour dealing with such matters as how you can become inconceivably rich by following the advice of an advisor. Or, for that matter, how you can improve your golf game beyond all recognition, or even catch monster fish with a flick of the rod. Programmes on how to dress better, or make-up better, or even how to buy jewellery, all do well, but perhaps the most spectacular example of the power of this particular format appeared during the US 1992 presidential elections. Ross Perot ran a series of half hour programmes which helped to bring him from nowhere to gaining 19 per cent of the popular vote. Indeed, as a consequence he was even offered a regular television programme by one of the networks. This is a good example of something that many companies forget: consumers (and that means electors in this particular case) are thirsty for useful information. They are fed up with meaningless overclaim; helpful facts often do more to convince than anything else.

Consumers' thirst for information

Posters – a major medium for general advertisers almost everywhere in the world – are of relatively little interest to us.

In short, if your background is in general marketing, you must rethink your priorities when you become a direct marketer: just about the only equivalent medium in general and direct is the press.

Individual impact versus cost

A simple way to look at the various media is to relate them to how much each costs to reach an individual. Not surprisingly, the more it costs to reach each individual, then by and large the greater the impact will be on that individual.

Thus, if we describe personal selling as a medium, it is certainly the most expensive. On the other hand, generally speaking, nothing will have greater impact on a prospect or customer than another human being talking to them face to face.

The more cost per individual, the greater the impact

The telephone, the most expensive 'advertising' medium at our disposal, is the one which has the most impact next to personal selling.

After that, we have direct mail – not as expensive as the telephone, but still a potent communication because it reaches individuals and can, of course, be personalised and tailored to fit the information obtained from your database or rented list.

Next, we have the insert – the chameleon of the business. That's because an insert can be used in so many ways and can appear in so many guises. It can be something that you include in one of your regular communications. Or it can be sent out with some merchandise. Or it can be bound into a publication. Or it can be free-standing in a publication. It can even re-emerge as something stuck through your door, or placed as a 'take-one' at point of sale.

How to use an insert

Nearly all these types of insert will attract less attention from the individual than a direct mail shot, but usually more attention than – for instance – a

full page press advertisement. Of course, when it is used as a ‘take-one’, it is almost impossible to predict what impact an insert might have – it depends almost entirely upon where the material is sited.

Nevertheless, I would say all the media I have listed so far have a greater impact in terms of reaching the individual than TV, radio and the press. On the other hand, of course, all those three media are relatively inexpensive in terms of reaching large numbers.

Obviously all the instances above are general guidelines, not universal truths. For instance, the poster is probably the medium with least individual appeal, but you have to make allowance for particular cases. A poster on a highway is almost useless to direct marketers. Most are seen under circumstances where it is very difficult to respond; they are seen fleetingly so their content has to be short and relatively unpersuasive. In addition they are relatively unselective in terms of targeting. On the other hand, a poster at a railway station, an underground stop or a pedestrian area does allow for longer reading and a more persuasive argument.

Figures not the only indication

In making your media selection you will obviously consider the demographic make-up of your prospects or customers – their location, their physical and financial characteristics – and also their psychographic characteristics: what kind of people are they?

The calculation then ought to be quite simple: how many of the right type of people can you reach for a given sum in a particular medium? This is – put very simply – the way in which general advertisers tend to make their media plans before proceeding to the equally important matter of how good a deal you can get from the particular medium to reach those particular people.

**Some media
are more
responsive**

Direct marketers have learned, however, that the media which appear to give the greatest number of likely prospects do not always prove as responsive as they ought. Some media appear to attract more responses than others, even though they may seem to have near identical profiles. You can take two newspapers which ought on the face of it to deliver a similar type of prospect in similar numbers for a similar cost, yet one will prove to be far more effective than another. These are facts you will learn only from experience and from studying your results. Moreover, they are constantly changing, as publications change. This means you must be unusually sensitive to what is happening day by day. You must be alert, and ready to alter your plans.

Fortunately, because you are *measuring* your results you don’t have to rely on guesswork or computer analysis. But this does place unusual demands upon the direct marketing media planner. Perhaps greater in some ways than conventional media planners face.

Test budget

As a general advertiser, you may plan how you are going to spend your budget at the beginning of the year, place the ads or commercials ... and that's more or less it. Retail is the outstanding exception, of course, where frequent swift change is called for. But in most general advertising you may, for example, have an autumn and spring campaign, but there is relatively small requirement for change. (I once spent half an hour listening to one of our clients complaining bitterly that his advertising agency had been running the same ad, fundamentally, for 15 years ... and collecting 15 per cent every time it ran. I wish it were that easy for us.)

In our business, we know just what the results are of each mailing or ad. We are constantly trying new approaches. New sizes. New formats. New lists. New publications. For this reason, it is always wise to set aside a percentage of your budget for testing. You must have loose scheduling, too. You must be ready to switch your money around dependent upon the results you are getting. Such and such a publication may suddenly stop pulling as well as it did previously. A mailing list that used to work well for you last year may suddenly flop. Another may suddenly start improving. Or for that matter the market for your particular product may suddenly turn sour. You must stand ready to change your plans instantly.

In summary, the very idea of a fixed sum to be spent each financial year or season is not sensible for direct marketers. The issue is: how much can I afford to spend to acquire a prospect, or to produce a sale from a customer? And within reason, as long as you can meet that figure and you have the money available, then keep spending.

Conversely, if you suddenly find you are not getting the cost per response you want and can afford, then you have to find either a more effective communication, or a more effective medium – and pare your spending until you have done so.

**Try new
approaches**

**Keep
spending, so
long as it
pays**

Winning the battle

Marketing is a form of war. You are trying to gain and retain 'territory' in the form of market share or – as I prefer to think – individual customers. This sort of thinking led many years ago to media men thinking in terms of 'domination'. The idea was that you could dominate a particular medium either through repetition, or through big spaces.

In fact, in the 1950s the Ted Bates agency in the United States conducted a number of studies which indicated that once you had covered a certain medium to a certain degree you were better off spreading your net further and going to other media than spending more money to dominate existing ones.

Much earlier, some interesting research was conducted in the United States in a related area, which ought to influence everybody's thinking. In

**Does it pay
to dominate
a medium?**

1912, a man called Shryer studied what happens when you repeat advertisements. He learned that if you run an ad a second time immediately after you have run it a first time, it does not get better results. It generally does worse.

Almost every direct advertiser finds this to be true. The only exceptions I have come across have been in financial advertising where the credibility of the advertiser was important. Until prospects had seen the advertisement once or twice they were worried about whether they ought to do business with that particular company.

Yet how many times have you heard space sellers try to persuade you to take a *series* in exchange for a discount? You probably recall the pitch: ‘People may not notice it the first time. But if you keep running it, they will eventually get round to replying.’ The truth is that your prime prospects, the *cream* of your market, will tend to reply to the first ad. To get the same level of response again, you’ll probably have to wait a little while until more prime prospects emerge.

This does not mean you can’t repeat ads. It merely means you ought to carefully consider the right interval between repetition. And what is that? Well, it depends on three factors:

Prime prospects tend to reply first

Determining intervals between advertisements

- the size of the ad (the smaller it is, the more often you may repeat);
- the interest of the product (the greater the human appeal, the more frequently it will run); and
- the circulation of the medium (the larger the circulation, the more often you may repeat).

Of course, you must use your intelligence in following these guidelines. For instance, my former partner Brian Thomas (at that time marketing manager at a major catalogue company) was offered a full page in a major national newspaper – the *Sun* – one day after he had already scheduled an ad. Knowing the fall-off would be heavy he was very reluctant to run it, particularly because he had no time to alter the copy. However, the paper was desperate to fill the space and offered him a deal he could hardly refuse.

To his surprise, the second ad pulled 80 per cent of the results of the first. This was far higher than he expected. So although the response did fall as the rules say it should, by seizing his opportunity he did well.

What happens when you change the size

Beware large advertisements

The other way to dominate a medium is, of course, by buying large spaces. We have to go back to the work of a Mr Strong in New York City in 1914 to learn what a dubious idea that can be. He published a book which showed that, on average, in terms of response, if you assign a rating of 100 to a full page ad, then a half-page carrying identical copy in the same place in the same medium does not pull 50. It pulls about 68.

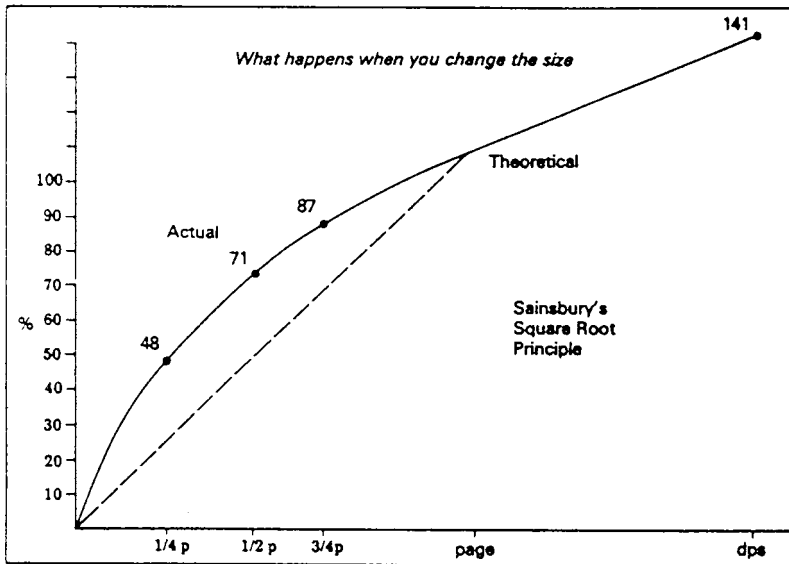


Figure 7.1 'What happens when you change the size'

This graph demonstrates what research has shown about space sizes. The important thing to remember, though, is that for a smaller space to be cost effective, the content must be exactly the same as the bigger space.

A quarter-page pulls about 49, whilst a double-page spread will only pull about 141. That means a quarter-page is twice as responsive as a full page.

You may wonder whether those old greybeards in the 1900s knew what they were doing. Well, the same research has been repeated since. In the 1930s by Schwab and Beatty, one of the first good direct advertising agencies; in the 1940s by Gallup; and in the 1950s by Daniel Starch & Staff. They all came up with the same result to within two percentage points.

So beware the lure of large spaces unless you need a large space to tell your story fully and you make use of all the space. However, it's important to remember that long copy very often tends to outpull short. So you may need a larger space to do an effective selling job. On top of that, there have been exceptions which prove the rule: cases where simply taking an ad and making it larger has proved not only more effective in *total* numbers of responses but also *pro rata*. And if you want a better qualified lead or better quality customer, then longer copy may often pay.

Once again, only testing will discover the truth for you and your particular product, but these guidelines generally prove to be worth following. Certainly, it's not wise to start with an unnecessarily large space to tell your story. You can develop a large ad once you have a small one that works.

**Don't forget
to test**

Much of what I have said does not square with the way conventional marketers plan their media, particularly in respect to these last two points. But these figures are not based on opinion, they are based on results. Conventional advertisers, who don't have to measure their results, believe in 'impact' and 'prestige'. Happily, their beliefs fit their pockets. For is not the easy way the most profitable? It's much easier to take large spaces, and repeat them frequently, than to write short copy and change it frequently, isn't it?

THE MEDIA RECIPE

The media you choose will obviously depend on your objectives, and what you are selling. You certainly cannot divorce creative considerations from media planning. If you are selling a set of records, there is a strong argument for considering radio, which allows you to use sound. If you are selling a complex financial product, you will need room to tell your story. You'll probably be considering a flexible medium like direct mail.

But if your business is at all substantial, you will almost certainly be considering more than one medium. This is where we come to the media mix – or recipe. This is the judicious selection of the right media in combination to achieve the right effects.

The right media to achieve the right effect

Thus, a car company might use television or posters simply to communicate awareness of a particular product and show off its looks. They might then use national press and magazines to convey more detailed information, using the local press – perhaps backed up by direct mail and radio – to encourage people to come in and test drive a car. Direct mail and telephone can be used to stimulate loyalty and repeat sales.

Carefully consider the sequence

From reading this book so far, you will know where direct marketing should fit into your overall marketing objective. And since you are looking at how you treat an individual, rather than the way you reach masses of people, you ought to consider carefully the *sequence* of communications most likely to get the best results, bearing in mind how much you can afford to pay to get a lead or a sale.

Suppose you were introducing an expensive new business product. You would want in the first place to make sure you were reaching the right people. You might test the telephone against a questionnaire mailing to identify the appropriate decision-makers. You might simultaneously announce to them that you are about to make a special offer which they should keep their eyes open for. You might then send out a mailing detailing this offer. And, if your response were high enough to justify it, you might send out a follow-up mailing or even telephone call shortly after the mailing came out to give it greater impact. This is all part of the planning process and in particular the contact strategy mentioned in Chapter 6.

Once you have these people's names on file, you would then be thinking how quickly you ought to re-contact them, and how often, because obviously they might not be ready to buy your product when you first approach them. Other

considerations might be conducting a test of the appropriate trade press to see whether couponed advertising would prove as cost-effective in locating the right decision-makers as the telephone or direct mail. (In my experience it never does.)

TIMING CRITICAL

Another factor to take into account would be timing, not merely in terms of what is the best time to sell a particular product or service, but how you should co-ordinate the timing between two different media. For instance, it is always a good idea to time direct mail to coincide with major general advertising pushes.

The timing and type of media you select will, of course, always be determined by the situation of the individuals you are approaching. Thus, when successfully promoting the British Automobile Association's very competitive car insurance rates, MSW Rapp & Collins in the UK faced a simple problem: in this country only a certain number of people are in the market for new car insurance at any given time. To run a national campaign over a finite period would not make sense.

The objective was to 'trawl' for prospects – to catch them at the time when they were likely to be considering their forthcoming car insurance decision. The solution was to devise 10-second television commercials which just said: 'Looking for a good deal on car insurance? Call us now.' This seemingly simple solution was one nobody had thought of before. Previously, people had been running free offers in advertisements to collect people's names and then re-contact them at the time when they were considering car insurance.

Another example is that of Crown Paints. In the 1980s they were number three in the market in the UK. One big problem was their inability to get enough space on supermarket shelves. Unless they could get prospects to actively look for their products at point of sale, they were lost.

The direct marketing strategy was arrived at first by studying the buying process. Consumers decided first on whether they wanted to decorate, second on the colour they wanted, and finally on which brand. The brand was not a critical factor in the decision; the colour was.

Crown, therefore, tested direct response advertising and direct mail which echoed the advertising, and offered people free colour charts. In the response devices, prospects revealed how many rooms they were planning to decorate, and when. It was possible for Crown to follow up the most lucrative opportunities at the right time and spend their money where it would do the most good.

In the event, after a very successful test, Crown underwent one of its not infrequent corporate upheavals and the opportunity was lost, though I understand they intend to revisit the concept.

What I am trying to point out is that media planning is very much a *creative* process. The best media people are keenly aware of it. The worst remain chained to their sets of figures. The best work is produced when the creative people and the account planners, the media people and the client all

Use short commercials to 'trawl' for prospects

Media planning: a creative process

get together and consider the problem from *every* aspect, and thus come up with a plan which takes advantage of every opportunity and considers not merely where you reach people, but when, and how often. Having considered the background to the subject, what are the media available to you; what are their relative strengths and weaknesses?

THE EIGHT TRADITIONAL MEDIA AT YOUR DISPOSAL

1 Direct mail

I am constantly amazed that I managed to make a living for so many years in this business without knowing nearly as much as I should about direct mail. I was very lucky.

As I have already pointed out, direct mail is probably your principal medium. It is particularly useful for testing, and for building the long-term relationship with your customers as individuals which you are aiming for.

As I have also indicated, direct mail is the most expensive medium open to you after the telephone, per person reached. On TV you can measure hundreds of impressions for every pound spent. In direct mail you can reach two or even three people for a pound. But they will, if you plan properly, be the right people. People you can speak to *personally*. And with direct mail, as you will see in our chapters on testing, you can test an infinite number of variables.

Other advantages include:

The benefits of direct mail

Selectivity

You can target with great precision, using the information available to you from your database or what you know about the list you have rented, and you can use personalised printing techniques to add impact.

Flexibility

You can, of course, choose when you mail, but more importantly, you can control what goes out. It is not a medium with only two dimensions like the press. You are not restricted to a limited space, or time as on TV or radio.

So, having a careful eye to the costs of posting, you can tell as complete a story as you wish when mailing to people, using any kind of illustrative technique or device (like a pop-up) you like. And it is also very easy to vary direct mail packages for testing purposes, in terms of the number of pieces enclosed and the messages on those pieces.

Big results

If you were lucky enough to sell one £50 product just once to one in a hundred (1 per cent) of the many millions of people who read a major national newspaper, you could retire for quite a while. Even one in 1,000 readers (0.1 per cent) responding would be very satisfying.

Compared to that, direct mail produces enormous percentage results, though these don't always mean instant wealth.

What sort of results? Well, for years the magic figure of 2 per cent used to be quoted by people who didn't know this business. Where this figure came from I do not know. But let me give you some idea of the sort of results you can sometimes expect.

A major UK catalogue company could quite easily expect between 10 per cent and 15 per cent response rate when offering a new catalogue in a mailing.

Where you are simply offering the opportunity to enter a competition and win something, you can expect much higher results. 20 per cent is not at all unusual. 50 per cent is not unknown. You tend to get the lower figures appealing to businesses, and the higher when approaching consumers.

In fact, basing your thinking on some putative response rate is not good. One client in the Far East was outraged when our agency only produced a 45 per cent response rate. He felt his product was so marvellous that 80 per cent or 90 per cent should reply to it. Some optimist.

The issue to address is: how many responses do I need to reach an acceptable break-even, based upon the financial criteria I have already set up? The answer to that will depend entirely upon your own business and the tests you conduct.

The important thing to remember is that direct mail can be very profitable when approaching relatively small numbers of people compared with the press. And the big percentages make it an obvious test medium. Above all, it is the way you normally reach your most important group of people: your own customers.

What results can you expect?

Reach the most important people

The one-piece mailer

Some years ago, changes in printing technology led to the design of machinery which can, with one pass, create pieces which, after folding, act as complete mailings in themselves. In effect, you have a very low-cost mailing all made from one piece of paper.

A one-piece mailer can be used as an insert or as a pure mailing piece. Its variety of applications makes it a potentially very powerful weapon.

However, the principal advantage of this kind of format (which includes the ability to *personalise*) is that you can incorporate a letter, order form, brochure ... even a catalogue if you wish. All printed at once, from one

One-piece mailers have many uses

sheet of paper. When you tear open the outside envelope, out they all tumble. Very involving.

We have tested these mailers in various ways. They rarely (in my experience) work as well as the conventional mailing in an envelope in terms of percentage response. But because they cost so little, they can be more effective, particularly when you are going for inquiries or sales requiring a relatively low commitment.

Use the most cost-effective format

The answer, again, is to work out how much a sale is worth to you, and use the more cost-effective format. You could be pleasantly surprised.

The co-operative mailing

A medium which, so far, is relatively underdeveloped in most countries. But I think, with the postal costs we have to pay, it is bound to develop much more.

Incidentally, postal rates in some countries are so high that it can pay to mail in bulk from elsewhere. The unusual origin often attracts more attention. On more than one occasion it has paid to mail from abroad to customers in this country. In Italy, Pepsi Cola once sent a mailing to retailers from the US which was highly effective. Some people mail from Hong Kong, finding it both cheap and efficient.

The co-operative mailer can take the form of a 'card deck': a number of cards of a particular size all put in one envelope which goes out to a specified list. This is particularly effective for selling business books. People love to pore through these cards and make a selection.

A good way to generate enquiries

Another form of co-operative mailing is a long strip divided into spaces and folded into a concertina to get it into an envelope. This too is a very cheap way to reach a well targeted group of customers and has proved very effective for business-to-business, particularly for getting inquiries.

This medium is highly effective for getting enquiries, and is now being well targeted so that you can, for instance, buy space in mailings only aimed at specific groups such as personal computer owners.

If you do have the opportunity to go into a co-operative mailing like this, make sure the offer you are making does not conflict with one that someone else is making. Unless, of course, yours is a better offer; in which case you will do even better than if you were out on your own.

2 Door-to-door drops

Door-to-door has many of the virtues of direct mail, but in less degree. By definition, it is less selective, since the logistics of delivering to a particular list using door-to-door would normally make it uneconomic.

Obviously, this medium is suitable if you are in a door-to-door selling business: double-glazing, swimming-pool installations, home improvements,

for instance. You can arrange your canvassers or salespeople to follow up immediately after a drop has been made.

What are the advantages and disadvantages of door-to-door?

May be half the cost

Door-to-door is obviously cheaper than direct mail since you have no postage to worry about and no list to buy. It could cost as little as half as much.

The pros and cons of door-to-door

Less control

Unfortunately you can't always be sure what people who are supposed to stick literature through doors actually do with it. There are many hair-raising stories of vast quantities of leaflets being furtively slipped down drains. For this reason, the more reputable companies have inspectors who monitor the activities of those who do the job. Moreover, the Post Office offers this service.

Therefore, make sure you are dealing with a good company. I recall a while ago having a drop scheduled for a client which was supposed to go to the financial area in the City of London. He was somewhat surprised – and we were embarrassed – when one leaflet arrived in Berkeley Square, Mayfair, several miles away from the City.

Quality controllable – but ...

Of course, the *quality* and *content* of a door-to-door piece can be controlled. You have the same flexibility in that respect as with direct mail. But the results will be much, much lower.

Ernest Palfrey, an alumnus of *Reader's Digest*, conducted several tests a few years ago which directly compared door-to-door with direct mail. He sent out identical packages using the two alternative means of delivery.

... Less effective

Door-to-door was 52 per cent less effective than direct mail. This, of course, does not even take into account another important factor: direct mail can usually be addressed to the specific name of the recipient; door-to-door can't. And, of course, you can find appropriate lists of people with a special interest in your offer which, of course, would enhance response significantly.

My advice is only to use door-to-door for products of pretty universal appeal, or because you have need for large numbers of leads regardless of cost. An interesting sidelight, by the way, is that in some countries the postal service is so appalling that door-to-door becomes extremely attractive.

Dr Alberto Foglietti in Italy discovered a few years ago that door-to-door in one city was *more* effective than the post. Another puzzling piece of

When to use door-to-door

information is that the Italians seem to like receiving direct mail more than any other European country according to recent statistics. My Italian friends tell me that this is attributable to the inefficiency of the Italian postal service. They are delighted to receive anything through the post.

Door-to-door magazines

One particular door-to-door activity of great interest is where a magazine (usually full of offers) is dropped through household doors.

It has been used in this country to some degree, and can work very well. In Scandinavian countries it is one of the most popular media of all.

Postcode classifications

In many countries you can target both direct mail and door-to-door drops more accurately as a result of databases developed from information available in the first place from census statistics.

These statistics enable a particular list or a particular locality to be broken down into relatively small groups of households which are *likely* – but not all certain – to have characteristics in common.

The principle involved is quite simple. First of all demographic information is extracted from the electoral register. This will provide information on household composition by size, sex, age, mobility, and the length of time a particular household has lived at an address.

In addition to this, it is possible to identify the likely type of building presented by the address, be it an apartment, a detached house or a farm, for example. Other significant information can be overlaid, such as the result of any financial searches which have been conducted by the courts.

To give you an idea of the sort of thing I mean, let us take one particular database of this type. This is the Mosaic Database developed by Experian in the UK. On this database you will get the address, postcode (and the number of other houses sharing that postcode) as well as demographic data such as the composition of the household, type of address and any information available from the 300 census variables which tell you something about this type of address.

The only thing this sort of database will not tell you is information you can only obtain from your own dealings with a particular household. For instance, if you are a credit card company you can take a particular postcode and calculate the likelihood of the people in that particular area being amongst your card carriers. In this way, you need only mail those areas you are interested in – be it the ones where people are more likely to accept your card and are therefore better prospects, or contrarily, those where you have poor penetration and wish to improve it.

**Use available
information**

**Things that
only *your*
database can
tell you**

This subject is complex and constantly developing. I advise you to look very carefully into this sort of database which in my view is a very valuable tool – particularly so when planning proposed outlets for retail chains, such as banks. You can, for instance, very quickly estimate where you are best advised to site branches to give maximum effective penetration of an area without overlapping other branches. Similarly, if you are a car dealership company, you can work out where your competitors are strongest, and choose a site where your business will flourish.

3 Newspapers

Newspaper readership varies widely throughout the world. For this reason newspapers can be more effective as a medium in some countries than in others. For instance, in the UK and Japan – both small countries – newspaper readership is very high, and national newspapers are very powerful, so the newspaper is a very valuable medium indeed.

In America, on the other hand, until recently there has not been anything you could really call a popular national press with comprehensive coverage, though *USA Today* is beginning to offer something very similar to this. I have no doubt new technology is soon going to make it possible to produce a much more effective national press in that and other large countries.

Project fast

The press is powerful, pervasive, and quick to pay out. In a business based on testing, this last is a characteristic hard to overemphasise. You can, if you are in a hurry, prepare and test a new approach within a week, and two weeks later you can proceed to roll out a successful advertisement based upon your results.

**Prepare and
test – quickly**

Test availability

Moreover, there is quite a degree of availability for testing, both in terms of A/B splits (see page 290) and geographical breakdowns.

Uncertain quality, not enough colour

You do not control the quality of the print in the press, so for certain products you may find that it is far from suitable. Until recently colour facilities were very limited in the press in many countries, but colour availability is now increasing as a result of new technology.

The press has one additional benefit: it is usually less costly to test than direct mail, TV or inserts. And the ability to project fast enables you to make swift and profitable tactical decisions.

4 Magazines

Magazines, in which I include the colour supplements many newspapers incorporate, are another important medium with significant advantages which counterbalance the problems of the press – but with one major disadvantage. This disadvantage is so important that I shall give it first.

Reasons to be wary

Long copy dates may invalidate test

You may have a lead time of weeks before you can actually place an advertisement in a magazine. Add to this the time it takes you to conceive, plan and prepare such an advertisement and you can have a major problem with a magazine.

This is because sometimes a product which looks very good now can be quite out of date by the time you run your ad, particularly when we are talking about technological products.

I recall, for instance, a camera offer made by one of our clients which represented unusually good value when we prepared the ad. Between the time the ad went to the publication and the day it appeared, prices for this type of product had dropped so fast the offer turned out to be no more than average in price terms, and the ad lost money. This is not unusual at all in fast-developing product categories like that. Pocket calculators and computers are others to be chary of.

Better reproduction

Of course, a magazine will usually offer you better colour facilities than the national press. Because you don't control the production of the magazine you can (and should) make sure somebody goes down to look at the work on the presses. You are about to invest quite a lot of money. And if you don't do that, you certainly ought to keep a very sharp eye on the proofs.

I aim this advice particularly at agencies. Clients tend to get very, very excitable indeed about the reproduction of their products. I imagine this is probably because it is one subject which anybody can be an expert on, assuming they have good eyesight. In reality you don't have to worry too much because I have found time after time that appalling reproduction has had very little effect whatsoever on results, even for products where you would think looks are very important. Indeed, I have come to the conclusion that the public is purblind.

The importance of reproduction is overstated

Pulls over long period

Magazines keep pulling in responses for months, and even years. I remember preparing an advertisement to sell swimming pools for my late brother. Two years after it ran in a publication with only about 50,000 circulation it was still producing replies.

Often a good test medium

Magazines tend to offer a fair range of test facilities in terms of both regional and A/B splits. Some offer outstanding opportunities in this area.

Let me quote for you what is offered by the *US TV Guide* – the largest publication of its type in the world.

- 106 separate geographic editions, which can be purchased individually, ranging from 58,000 to 2,500,000 in circulation.
- A guaranteed weekly circulation (1987) of 16,400,000 copies reportedly adds up to pass-along readership figures of 39.3 million adults and 7.2 million teenagers.
- Because it prints two-up, you can get perfect A/B splits of black and white ads in 74 editions.
- The four-colour sections in the front and back allow for perfect A/B splits in eight major markets.

So, it is difficult to imagine a more perfect medium for testing. Nor one which at one fell swoop, once you have tested, you can roll-out to such an extraordinarily large number of people at the same time.

Inserts for tests

The magazine insert is – as I point out in my chapter on testing – a most useful format. It gets high responses, so you don't need so many to get a valid, reliable result. And it offers almost unlimited test opportunities. You could test ten different inserts in one publication if you wished.

Total control

Because you control the quality and content, you can use any creative technique you like, without fear that some printer at the publication will screw the reproduction up.

I regard the insert as peculiarly valuable for another reason. This is that the insert, by its nature, is something of a chameleon. It isn't an ad; it isn't a mailing – it has characteristics in common with the two. Once you have found an insert that works effectively, it is not difficult to develop it into a mailing or into an ad, whichever you prefer.

**The insert as
a chameleon**

Use many ways

The insert you place in a magazine can easily be used in other ways. As a bounce-back in your own merchandise when it is sent out; as a billing stuffer; as a 'take-one' in retail outlets; or as a piece to go out in other people's mailings or fulfilment packages.

Many of the most successful direct marketers employ inserts as their number one medium. And they seem to work whether you are dealing with a relatively up-market clientele, like American Express, or with a relatively down-market clientele, like my former clients Odhams Mail Order, who sell cookery cards and the like.

Many formats

The insert is not only an effective medium; it is also one which is growing and developing fast.

Different formats, sizes and shapes will produce very different results. For instance, stitched-in or bound-in inserts tend to work better than loose inserts. Moreover, some formats have now been developed which can incorporate rub-off sections to reveal prizes, or even a built-in envelope. These formats tend to overcome inertia and do better than the standard format.

One form of insert which enjoys considerable popularity and success, particularly in the US, is the multi-page free-standing insert. These creations look rather like small magazines. They are delivered inside your Sunday newspaper, and at the time of writing they offer advertisers something like a 50 million circulation.

They are particularly effective when used by packaged goods companies for making money-off offers, self-liquidators and premium offers. They are also used by mail order companies for making direct offers, and catalogue companies to obtain leads. Because they offer a wide range of regional editions, they are valuable for companies wishing to reach particular demographic targets.

They have something in common with the door-to-door magazines and co-operative mailings I have mentioned elsewhere. Indeed, the same sort of companies find that they work.

5 The broadcast media

The importance of the broadcast media varies depending upon the country and the stage of development reached in radio and television.

For instance, radio is a highly developed medium in the United States and Australia. In the UK, on the other hand, radio stations vary in quality greatly. Some offer very good coverage; some do not. Some attract great loyalty from their listeners; some don't seem to.

Television, on the other hand, is a popular medium in every country but the regulations governing the availability of commercials vary widely. For instance, in the United States you can watch television around the clock and there is a wide range of channels to choose from. This gives great opportunities to the TV advertiser for negotiating keen rates. Consequently, direct response television works extremely well there.

**Great
opportunities
for negotiating
keen rates**

For many years in the UK, there were only four channels – of which only two were commercial. And only one of these channels broadcast 24 hours a day. The result was a shortage of TV time; and that which was available was over-priced as compared with other markets. Indeed, a 1988 report suggested that this relative high price was costing the country billions of pounds in unnecessary expenditure on the part of advertisers.

This report led to considerable furore; but whether it is true or not, it is unquestionably very difficult to get the right spots at the right time in the UK. Cable and satellite TV are changing all this, but too slowly. Now, the development of digital technology should accelerate the process.

My experience of television as a direct marketing medium dates back to the 1960s, when I worked for CPV, the agency which handled the British Army recruitment campaign. The army considered TV would be ideal for its prospects. It inaugurated something which has been used a great deal since: linking TV with the press. This was not a predetermined decision: it was stumbled upon by accident.

In the first place we used the standard TV format of that time – the 30-second commercial. Our client soon found out, as many others have since, that 30 seconds is not long enough to *sell* anything. The reason is simple. In 30 seconds you don't have time to convince anyone of anything important, let alone give them the time to get a paper and pencil and take down the response details.

What could have been done at that time – but was never thought of – was to run very long commercials. What was done was to feature the press ads in the commercials, asking people to look for the ads and respond to them. This proved highly effective. In the UK this form of TV back-up to advertising, mailings or door-to-door drops is still very effective.

In one case where a very heavy door-to-door drop activity took place in the North, a 30-second back-up television commercial apparently increased response by 50 per cent. In my own experience, television campaigns backing up direct mail activities and door-to-door drops have increased response by anything between 20 per cent and 40 per cent for different clients selling different products.

To create such a commercial you do not need to be elaborate or clever. You simply have to draw people's attention to the fact that an offer is coming through their door and make it quite clear what format the offer will take, so that it is recognised immediately. Spots as short as 20 seconds and 10 seconds have been found effective in achieving this.

The secrets of success on TV have been best covered in a book by Al Eicoff of the Chicago agency Eicoff & Company in his book *Or Your Money Back*. Much of the information I give here is contained in much greater length in this book – Eicoff has conducted research which confirmed a number of facts I already knew, but which he was the first to explain. For example:

**Linking TV
with the
press and
other media**

**Big increases
in response**

You need time

The technique I have described, developed in the 1960s, was using TV as a secondary medium. I have mentioned the use of TV to get inquiries.

You can, of course, do the same thing with radio. But whichever of the two media you wish to use, if you want to sell then you have to remember you need at least 15 seconds to tell people how to reply.

Eicoff believes you need two minutes to create an effective selling commercial. On the other hand, others have conducted tests which have proved (to their satisfaction at any rate) that a good job can be done in one minute.

Demonstrate, repeat

The ideal product is one which requires demonstrations, visually or in sound. Records, books and household gadgets have done well in these media.

These media are fleeting. You cannot (unless you have a video tape recorder) turn back and see or hear the commercial again: and who listens or watches for the commercials?

This means you need to repeat the commercials a number of times to get real attention. Typically you would run a burst of commercials over a six-week period, then rest for four weeks before trying again. But, once more, this depends on *your* experience with *your* product.

Off-peak works

In dealing with TV and radio, many people have found that *off-peak* spots do very well as compared with the same money invested at peak time.

Viewers are more inclined to respond during the morning, and ads shown between 9.30 am and midday get twice as many calls as any other time of the schedule.

CIA Multimedia Research, 1995

I have three theories about this. I was very pleased that Eicoff's research confirmed that two of them at any rate appear correct.

Why off-peak works

- At off-peak you are not competing with the all-dancing, all-singing £50,000 extravaganzas put out by the big packaged goods companies. You're up against the dull efforts of the local department store. And, often, old rerun shows. People are happy to stop watching a programme and start buying a product.
- Late at night or early in the morning many people are at their lowest ebb: less able to resist your blandishments.
- Many people listening to radio or watching at two in the morning may have little else to do with their time save reply to your offer. (I have no research to back this up, just my own belief.)

Shop around ... extensively

TV and radio reach a huge audience; in terms of cost per thousand impressions they are the cheapest media of all.

But on TV, production costs are staggering if you are not careful. If you shop around carefully though – I suggest more carefully than with any other medium – you will be surprised what you can achieve in cost savings.

There is, hardly surprisingly, constant complaint in the UK and the USA about the astonishing costs of producing television commercials. I am not surprised. I suspect advertising agencies (and clients, too, for that matter) are somewhat gullible when it comes to costs.

This was brought home to me when in 1987 I had to make a training video for our own agency. The video was produced to a high standard by a reputable production company and when completed lasted 52 minutes. It wasn't a particularly complicated video – basically me sitting at a desk talking, with lots of cut-away shots to demonstrate various points I was making.

I asked an experienced creative head who had done a lot of TV how much she thought this video must have cost. 'I suppose you could have got it done for as little as £20,000', she replied.

The actual cost was £4,000. Having made quite a few commercials over the years, I find that if you really want to it is usually possible to make them for a lot less than many people might imagine.

In radio, though, production costs are exceptionally low. Even the most gullible of individuals can see that simply sticking someone in front of a microphone and recording them cannot cost all that much money. Moreover, radio offers great opportunities. It is a medium in which you literally have to create word pictures. It has been much under-utilised in many countries, but is really taking off now.

6 The telephone

This is a fast growing medium which arouses such strong feelings that in some countries – Germany, for instance – unsolicited telephone calls have been banned.

However, it is an extraordinarily potent medium. In 1980 *The Times* was moved to refer to it in terms which (by their standards) might be described as hysterical enthusiasm. 'The most cost-effective marketing tool invented lies unused on desks up and down the country.'

It has the value of immediacy, with all that that implies in terms of reading results fast. It is *interactive*: apart from face to face selling, it's the only medium where objections can be stated – and overcome. By the same token, you can establish what the best appeals are for your product.

It is therefore a very useful research medium, especially when, for instance, you are following up unconverted leads for a product. You will not only find out how people feel: you will also sell. Indeed, I have lost count of the number of times I have said to people who have been asking me why I

**Beware of
high costs:
shop around**

**The value of
immediacy**

**A useful
research
medium**

thought a particular mailing did not work: ‘Why don’t you ring a few of the people and *ask*?’

One of the major benefits of the telephone is that your customers like it. The average catalogue company may have 70 per cent or more of their sales coming in on the phone. Research into businessmen’s inclinations shows that almost exactly the same percentage said they would prefer to inquire about new products on the telephone. The fact that people like to use the phone and call you gives you additional possibilities.

Create more sales

When a call comes in, you have an opportunity. Be it an inquiry, an order or even a complaint, it is often a chance to create more sales. (It is not often sufficiently realised that someone who cares enough to complain does so because they have a real *need* for the product. They can be sold to far more easily than someone who has shown no interest at all, as long as you are polite and helpful.)

In conjunction with the intelligent use of database information the telephone can be extraordinarily powerful.

Let me give you an example. Supposing somebody rings in who has bought maternity clothes from you. When they ring up you can pull up their details on a video display unit, discover what they bought last and talk to them about the possibility of selling them baby clothes, cot, and all the other paraphernalia associated with a new birth. The same sort of technique can be applied in almost any product area.

The telephone is very expensive, of course. It might cost you £5 to reach a particular decision-maker in a company. First of all to find out *who* you should be talking to; secondly to find out whether they are *there*; and thirdly to ring them later when they *are* there.

**Very
expensive,
but very
effective**

But cost is relative. Although a phone call is expensive, it can quite frequently get five or six times as many sales as a mailing selling the same product or service. Indeed, on occasion a telephone call can get several times as many sales as a mailing would, even if it is directed to a list of people who have been previously *unsuccessfully* mailed.

Let’s face it, paying five pounds to talk to somebody on the phone may seem dear. But how about spending £150 on a sales call to the same person?

Many, many times a telephone campaign will pay where salespeople can’t. Indeed, there are cases where customers *don’t want* to see a salesperson. They are too busy. They will always either pick up the phone or answer the phone and do business with you as long as you’re polite.

In the case of one bank it was discovered that for a particular loan service the customers not only preferred to deal with telephone salespeople, but the actual *sales result per call* was greater than that of a personal call. For

that reason, I would suggest you give a great deal of thought to the potential the telephone offers.

Builds loyalty

In my experience, unsolicited outbound calls to people who have no previous relationship with you can, unless carefully timed and scripted, cause considerable irritation. However, calls to people with whom you do have a relationship are often welcomed as a sign of interest and a kind of service. In a UK research project, it was learned that one call to recent customers simply thanking them for buying increased the number of purchases by 13 per cent over the subsequent six months, with an increase in order value of 16 per cent. And why not? We all like to be thanked, but few merchants bother to do so.

Saying 'thank you' pays

Gets attention

The telephone has unique attention value. It *demand*s a response.

I quoted earlier the remarkable amount of money spent in the United States on telephone marketing. I was surprised when I read that figure, until I remembered a statement which we ran in an advertisement: 'It uses no petrol. It gets decisions from 4, 6, even 12–15 people every hour. It's never sick. It says exactly what you want. It works.'

The late Robert Leiderman of Leiderman and Roncoroni, had a beguiling way of describing just why the telephone works. 'When did you last leap out of the bath and run downstairs to look at a television commercial?' he asks. Yet we all do that sort of thing when the telephone rings.

I am also indebted to Robert for his way of describing the fundamental difference between just making telephone calls and telemarketing.

The telephone demands a response

You've already got phones and some people who are under-utilised. So you test it by using what I call the Linda method. That's L-I-N-D-A, LINDA. This is usually the first step in starting a telemarketing campaign. You take a sample of about 50 names, put them on your secretary's desk, and say, 'Linda, I've got a job for you. Call these people in the next three days and sell them our widgets.'

Now Linda, who has worked for you for the last 15 years, knows the product backwards, forwards, inside out, and upside down, and she's helped you look at your direct mail and space, so you know Linda is not going to say something wrong. Three days later, she comes back and tells you the results – she actually spoke to 30 of the 50 people, and got 20 to say 'yes'.

'Incredible,' you reply, 'a 67 per cent response! That's a lot better than 2 per cent by mail.' Linda, though, being a realistic and helpful person, says: 'Well, it is a 67 per cent response of the people I spoke to, but since there were 50 people, I'd really have to say it's only 20 out of 50.'

'I can live with 40 per cent. What a gem you are, Linda. Not only have you proved how successful the telephone is, you've found a way for us to hit our

The difference between telemarketing and telephoning

targets, and saved me from making a mistake on my projections.’ Then, you give her a fiver, to show your thanks.

Based on this little test, you decide to contact 30,000 consumers in the next month, before rolling out to your 150,000 customers. So, you do some quick calculations: $30,000 \times 40$ per cent or 12,000 orders on your test.

Then you look at the list and see that there are no telephone numbers on your file, so you send them to someone for looking up and you find that only 50 per cent have a phone. Well, 6,000 orders ain’t bad either. So, you have 15,000 names.

Linda goes crazy. She is not about to call 15,000 people.

So, back to the numbers. Fifteen thousand names at about 12 completed every hour is 1,250 hours. The calls can be made, say, for six hours a day, so you need 208.03 man-days. Or, on a five-day week, 41.67 man-weeks. Now, since your full plan needs to be approved within three months, you need numbers quickly, and you want the test completed within one month or 4.3 weeks.

That means you have to find ten people to do the job. So, you find the ten people – who are willing to work for a month – have Linda tell them how to do it, and wait for the orders to roll in.

Unfortunately, they don’t. The whole thing falls flat on its face.

Tempting as it may be, don’t fire Linda. She was good. The problem is that you didn’t test the telephone. You tested Linda. And to get the same results with other people, you would need people with the same skills, the same gift of the gab, the same product knowledge, and very often, the same high salary that goes with all that.

A properly designed telephone marketing programme does not rely on Linda or a whole room of Lindas. It relies on a system which incorporates the best elements of the person who knows the product, the person who knows the communications channel, the person who actually delivers the message, and the person who is asked to buy.

By putting these different elements into a telephone campaign, you limit your variables – as you do in other direct marketing methods – and have projectability. Surely, you wouldn’t ask your postman, who talks to many of the people on his round, to write a special letter to each one – you’d never know why you got the results you got. How can you project it? How can you be sure the right message is delivered? Certainly the same is true by phone, when it is used as a ‘verbal letter’.

A neat little story, I think you’ll agree, which makes the point beautifully.

7 Posters

The only time we have ever used outdoor posters for one of our clients was when we were offered them free. But as a secondary medium, I believe they have their place. Thus, if you were planning a huge door-to-door drop, you could schedule posters in that area. Or, if you were a charity, you could run posters when you were doing your annual door-to-door collection.

For that matter, if political parties were clever enough with raising funds by direct mail, they could schedule posters to coincide with their efforts in areas they thought particularly favourable to their views.

The perfect poster

The problem with posters is that the perfect outdoor poster has about five words on it, plus the brand name (or, even better, *including* the brand name).

They are designed to attract the fleeting attention of drivers – and as such, are a menace, apart from being a blot on the landscape. But five words are hardly enough to deploy any kind of meaningful argument. So a poster cannot be expected to do more than attract an enquiry, on its own. This is how, for example, La Redoute, the big French mail order firm, uses them to generate catalogue enquiries.

Some kinds of poster can do a good job: the kinds that people have time to read, like underground posters. We find them very effective in attracting enquiries on the telephone.

8 Customer magazines

Customer magazines: a fairly new, but fast growing medium

Ten years ago, the editor of the British advertising magazine *Campaign* asked my advice. Did I think it a good idea for him to go into business publishing magazines, his first client being American Express.

I told him I thought it an excellent idea and he went ahead. He tells me that my advice had a lot to do with his decision, though no doubt he consulted other, wiser heads. He ended up running the largest firm of its kind in the UK.

The arguments for this medium are so compelling that the top three UK customer magazine publishers – including his, which is called Redwood – have been bought by leading ad agencies.

I had nothing to do with his subsequent success, but more recently I got involved in helping promote the idea of customer magazines. To do so, I had to do some research. To be honest I was quite amazed.

If you are a copywriter – which is one of the things I do for a living – your job is like that of a defence lawyer: to dwell on the good things that your client has to offer whilst suppressing, or certainly not talking too much about, its disadvantages.

This was what I planned to do in this case. But when I looked more into promoting the idea of customer magazines, I learned that I didn't have to be a clever lawyer to come up with good arguments for it as a medium. I began to understand why the idea is growing so fast and why my old associate has made so much more money than me.

Clearly commercial

In the UK, 15 of the top 20 magazines by circulation in 1998, including the top 5, were not ordinary publications like *Vogue* or *Cosmopolitan*, but customer magazines. The top 3 reached more than 5 million people.

By ‘customer magazine’ I mean something produced with the clear, undisguised intention of promoting a firm’s products or services. I don’t mean an airline in-flight magazine, which masquerades as ordinary reading material; I mean something unmistakably commercial. Thus, the Marks & Spencer offering is simply called *M&S Magazine*.

You might imagine customers would reject such unashamed commercialism; but they don’t. And the results can be remarkable.

One firm wanted to get some of their account customers back into the habit of buying – people who hadn’t used their cards for six months. Apparently, their magazine managed to get 25 per cent to start spending again. In another case, it appeared that 60 per cent of the people who read the magazine were impelled to buy something in the store that produced it.

At the time I drafted this (in 1999), customer magazines were perhaps the UK’s fastest-growing promotional medium, with the industry growing by 12 per cent a year over the previous five years. Seventy-seven per cent of the population reads or receives one of these magazines, and they are read by one in five of all ‘ABC1’ women. (ABC1 is a demographic classification that defines people with most money to spend.)

What is really surprising is that it can cost less to send these magazines to a customer than a piece of direct mail. One reason is that they can be subsidised by other advertisers – some titles are subsidised by up to 50 per cent.

More appealing than direct mail

Nobody sane wakes up in the morning wanting to read direct mail, let alone passes it on to their friends, but the best of these magazines are read, enjoyed and passed on.

Consumer magazines are no longer low-quality freebies. There is a considerable emphasis placed on editorial integrity – more so than with some news-stand magazines – as anything misleading will backfire on the client, and the company will lose customers.

Some titles are already exploring methods initiated by direct-mail marketers, like segmentation. They are also producing online versions.

You might ask, if this medium is so powerful, why use direct mail or other media? The reason is that if you want to sell a single proposition forcefully, direct mail, advertising or the phone remain irreplaceable. The approach of the customer magazine is less direct, but is well worth your attention.

The main drawback of customer magazines is that firms often turn to them as a sort of all-purpose panacea. Bad magazines – like bad advertisements – are more about the firm and less about the customer.

What about newsletters?

A related medium, the newsletter, is often tried for the same reasons. Bad ones suffer from the same vices, plus an additional one: companies often try to make them look like magazines. I discovered what a bad idea this is when I published a newsletter many years ago.

A newsletter should always have a private, personal feel to it – as though it has been produced for a limited number of readers. This is what gives the newsletter its value; you are supposed to be giving people valuable inside information. This is why newsletter publishers are able to charge more for a few cheap-looking sheets than others can for a glossy magazine.

It should (though hardly any do) have the style and tone of a letter, not a magazine.

Benefits of newsletters

THE MEDIA OF THE FUTURE

Many years ago, somebody who travelled to California commented: ‘I have seen the future and it works.’ The same applies to some new media.

It is fearfully difficult to predict what is or is not likely to happen in our business because so much depends upon technology. And if the future can be gauged from the past, then only one thing is sure: the developments I imagine will prove crucial won’t; those I never dreamed of will.

However, here are examples of developments I consider already represent serious new media.

The fax machine

It is a surprising irony that some people find the fax machine a more effective communications medium than the telephone, despite the fact that it has less humanity. Certainly it works – to the degree that there are many complaints now about ‘junk fax’.

Fax has substantial advantages – advantages often worth paying for now that fax machines are rapidly diminishing in price. When you can actually see something on paper, it can be conveyed much more precisely – it doesn’t take as much time to transmit information which in speech you might waffle on about. When something reaches you through your fax machine it tends to attract your attention more than a mailing would. Because it is in writing, if it involves some kind of contractual obligation it can be legally binding. And finally, of course, the fax can be used off-peak, giving you a very low rate per communication.

When a fax is ideal

I believe that fax should ideally only be used where the content has an element of urgency. Of course, e-mail is now a useful alternative to the fax, which is becoming increasingly sidelined.

The use of videos in mailings

This has developed to such a degree that Ogilvy & Mather encouraged Winfried Hirschle of Middlesex Business School to conduct a study into its effectiveness. Clearly, a videotape coming through the post is not an everyday event, and can hardly be ignored. More to the point, for certain types of product, the ability to *demonstrate* means video is likely to make a considerable impact.

The study concluded that where the product in question was something which people were very *familiar* with visually – eg a car that had been heavily promoted on television – the impact of this sort of communication, whilst great, does not necessarily pay off in the resulting sales. People are already familiar with what they are seeing and, in the end, it all comes down to ‘do you like the car when you drive it?’

**Video works
for
unfamiliar
products**

On the other hand, where a product is little known, or entirely new, or is of a highly technical nature, then this form of communication obviously makes a lot of sense. In addition, as I have pointed out previously, US experience shows that videos designed to appeal to specific groups are heavily viewed and pay off.

Interactive, personalised media

I find it almost impossible to understand how some of the media now emerging work. However, their *potential* is quite clear. Let me give you what I see as a good example of what I am talking about.

A while ago I read that in the United States ACTV were about to offer a remarkable new service on cable television.

**What
interactive
TV can do**

Some of the experiences subscribers were about to have struck me as less than breathtaking: for instance, they’d be able to play Black Jack with on-screen opponents, or challenge them to trivia tests. They could even confide the details of their love lives to an expert and receive advice on relationships. Much more interesting from a marketer’s point of view is the fact that during the station breaks they’d see commercials specifically targeted at them as individuals.

In effect, interactive TV allows the viewer to talk to the television through a remote control device. For instance, when an expert asks you: ‘Where did you meet the person you’re dating?’, four choices appear on the screen:

- 1 Through friends
- 2 At work
- 3 At school
- 4 At a singles bar.

Should the viewer press No 4 on the remote control, an expert appears on the screen shaking his head sadly: ‘Unfortunately,’ he says, ‘studies show that relationships that begin that way may not work out. I am worried.’

On the other hand, if the viewer taps 1, 2 or 3 the announcer rejoices and predicts a more rosy outcome.

Here’s another example showing how an advertiser will be able to use specific data to determine who sees which commercial. If a host on a show asks: ‘Do you own a dog?’, only those who say ‘Yes’ will see a dog food commercial. If the host asks: ‘Do you make over \$100,000 a year and live in Manhattan and own a dog?’, only those who reply ‘Yes’, ‘Yes’ and ‘Yes’ will receive a commercial for an expensive kennel.

Fascinating, isn’t it?

I am not going to go much further into this – and I would like to acknowledge that the information I have just given you I lifted shamelessly from an article in *Advertising Age*, written by Lenore Skenazy. But I think you are beginning to get the idea. Through this sort of medium (which is still in its infancy), people can not only interact with the programme on television: the entire selling process can be matched to them – including the ability, literally, to order direct off the screen.

This ability to have a truly interactive medium whereby the customer can respond to a range of alternatives and select a product fitted to him or herself does represent the future. The creative challenges all this is going to summon up are such that I find it difficult to envision them. However, in Spain for instance, a project was run whereby viewers could join in television quiz programmes as they were being broadcast, or request discount vouchers for products being advertised on the commercials – the vouchers being printed by means of a small box on top of the television set. Like many such experiments around the world, it flopped.

Of course, any means of communication is a medium. You can put direct response ads on matchbox covers, bus tickets, for that matter camel sides. Some have more merit than others. I am not entirely convinced of the merits of the camel side, but unquestionably matchbox covers work extremely well for advertisers trying to generate low interest inquiries for products or services of general interest – eg Join the Army. I can also see that putting advertisements inside taxis will work under certain circumstances.

The medium which is unquestionably generating the most excitement today is the Internet. The Internet has proven to be such a phenomenon that it deserves its own chapter, which follows.

Other media opportunities

SUCCESSFUL MEDIA SELECTION

Don’t be a pioneer

In our sales formula on pages 97–8, the last two Ws are: *where* are my prospects, and *when* should I reach them? These are media questions.

Turn to past precedent

To aid you in the task of determining the answers, you must turn to past precedent. You'll temper this with commonsense, naturally, and look carefully for any special factors which may have affected your results. You must also refer to the many statistics available in print. Plus, of course, any research you have available.

In most countries there are extensive readership surveys in addition to the figures that the media print to prove (to their own satisfaction, anyhow) that you should put every penny you've got with them. All these will act as a gloss on your own past results and aim at helping you to make the right decisions.

Observe and copy

But what if you are a newcomer? Then you must *observe*, and *copy*. You must get on as many mailing lists in similar product areas as possible. Get copies of all publications you think may be relevant. (How do you get on a mailing list? Buy a product or make an enquiry using a name or address variation so that you recognise where subsequent mailings come from.)

There is no substitute for spending a great deal of time sifting through publications to see where and when your competitors (or, if it's a new product, similar products aimed at similar people) spend their money.

In the UK, for instance, MEAL is a service which tells you, in exchange for a subscription, where and when companies are spending their money. Such information tends to be very partial though. For instance, it often does not cover the local press properly. One of my clients was consistently misrepresented for years as spending far less than they actually did because of this.

For that reason, you have to read these statistics with great care. They are in some ways not as valuable as seeing the actual publications. Apart from anything else, you see not only *where* people are placing their money but what precisely they are *doing* with it. What sort of advertisements they are running.

Evaluating the use of mailing lists is much more speculative. But you can build up an overall picture. If a soundly based company runs ads *consistently* in a certain publication, or *repeatedly* mails a certain list, then you can assume it works for them.

Rule of three

What do we mean by 'consistently'? Well the old rule is: one insertion is a trial. Two is to confirm the first result. And three means it worked, so you should try it. The same applies to repeated mailings.

But beware of one thing. That big, well-established organisation may have more money than you. They may be able to pay more money for each initial order, in order to make money long term. So judge your results with that in mind. And for goodness sake, adopt a sceptical view. Lots of smaller companies (and even the occasional large one) aren't reading their results as carefully as they might. They could be living on their fat – and you can't afford to do that.

An instructive story on this subject (and a very sad one) was told to me by an old colleague in New York. I asked him why a big company that had been

in business for many years in the US had suddenly gone broke. They had always seemed exceptionally professional in everything they did.

Be sceptical

The answer was that the founder had contracted a terminal disease. He didn't care any more, poor man, and the company went into bankruptcy.

So, follow, but with caution. And whatever you do, never pioneer unless you have to. The best place to put *your* market stall is where all the others are.

Where you will do best

I gained my education in space planning and buying when I was running the marketing of the Bullworker. It was a valuable education because I learned everything bit by bit.

I discovered in the first place that the best media for me were, not unnaturally, publications with a heavy sport or health orientation. These publications would produce inquiries for the product five times more cost-effectively than the second most effective type of media, which were general-interest weekly magazines. These in turn tended to do about 50 per cent better than the daily newspapers.

What I learned about the media

Since I was working on share of profits based on reaching a target number of sales, I could not simply rely upon the relatively small numbers of inquiries produced from the health magazines. Although they were very cheap in cost, and thus highly profitable, these publications had relatively small readerships and tended to 'tire' very quickly. Nor could I even reach my targets by advertising in addition in the general interest magazines. I had to make the national press work.

This proved quite difficult. To start with I found the only spaces that would pay out for me were little bargain spaces in the pages which run every Saturday in the British national press offering lots of gimmicky items. Even this was not bringing in enough sales.

I then tried running advertisements in the body of the paper. They did not pay for me. I finally got the breakthrough I wanted when I started testing ads on the sports pages. I found that my ads would pay off if I could get a position on the back page – the most prominent of all the sports pages. Elsewhere they did not do well.

As time went by, I refined my planning. I realised that where small ads were doing exceptionally well – in the health and general interest magazines – I could afford to run bigger spaces. Indeed, in the former I ran full pages, whilst in the latter I built up a big editorial-style ad.

So apart from the publication itself, position is vital. An ad which does well on the sports page may flop on the leader page. An ad which stands out, and therefore succeeds, when placed amongst the earlier pages of a magazine, may fail through not being noticed when placed four pages from the back. Indeed, that is precisely what we found out for one of our clients. Eighty per

cent of their successful ads were near the front of the publication. Their unsuccessful ones tended to be towards the end.

And you should always remember that if a small ad is working exceptionally well for you, try a bigger one – and conversely, in a publication where your big ad is not working, try a smaller one.

Here are some guidelines on what works and what doesn't.

The best advertising spaces

- The front of a publication is better than the back. The front page is best (if available) followed by the back. Then the inside-front right. Then the inside-front left. Then the inside-back right. Then the back left. After that it tends to be in order going from front to back.
- Right hand pages do better than left. And it is generally agreed that pages facing editorial do better than otherwise – though one piece of research I saw a couple of years ago suggested this was not the case. I have to say, however, that it was for a particular magazine, and I suppose once again the answer is *test* and find out what does best for you.
- Any ad in magazines or newspapers which is next to the letters pages, TV programme pages, or horoscopes does well.
- Gutter positions do worse than outside positions. The gutter is the fold that runs down the middle of the paper when you open it out. You want your advertisements to be on the outside edges of the newspaper, not the gutter.
- Any ad which is surrounded by matter (so you can't cut the coupon out easily) will do worse than otherwise.
- Special positions are usually worth paying extra for.
- If there is a feature directly relating to your product, then a medium that is not normally worth going into may prove profitable. Thus, if you are lending money, a home improvements feature might do well for you.

Once again, as in every other aspect of our business, these are only general rules. Results may vary according to many other factors. And a good position won't save your lousy ad.

In mailings, one thing is obvious, and it's almost all you need to remember. If your mailing hits a prospect just after someone else offering a similar product, it can't help. Unless, of course, you are offering a better deal. But such clashes are to be avoided.

When you will do best

'When should I run my offer?' is the final question to ask.

My experience is based upon the western hemisphere. For this reason the monthly listings I am going to give below apply to our climate. However, whatever the country, here are two commonly accepted facts: the first is that you will generally do better in winter than in summer; and you will *not* generally do well during public holidays. (Obviously, there are exceptions, like seasonal products which appeal in the summer months.)

Thus, here and in America, for most advertisers the best month is January, and then February. The sequence after that is difficult to place exactly, but September would probably be next, then March, October, April, November, August, May, and – the poor months – June and July.

Then, death on skates: December. Research has suggested that the greater the volume of direct mail, the lower your response should be. So far, I have seen no proof of this.

Equally, the days of the week vary, as I have noted in the chapter on testing. Tuesday seems to be best for many people.

Sometimes, because you can get a very good price from the media, bad months can become good months. And the same applies to public holidays, with the exception of Christmas (only holiday advertisers seem to do well at that time). I recall negotiating for Bullworker a very good deal on Easter Saturday and Easter Monday with the *Daily Express*. We got our best-ever results in a national paper. And one of our clients put nearly *all* his money into August, because he got good deals.

Experience – and chance

I don't think I can repeat too often that it all depends on your experience ... and on *chance*.

Some years ago I had an interest in a company whose marketing I controlled. What happened is a cautionary tale. The company was importing its product from Germany. We tested, with enormous success, the *Sun* newspaper. Indeed, the results were so outstanding that I made that paper our main medium.

In April/May of the year in question, three things happened. First: the pound dropped 20 per cent against the Deutschmark. Second: results that year (for everyone I spoke to) dropped dramatically at the end of April. Third (and I should have waited to find this out): the conversion rate to sales from enquiries in the *Sun* turned out to be much lower than in other media we had been using, which was exacerbated by the overall slump in results.

You can imagine the combined effect. Utter disaster all round.

So as you see, timing in media selection can be of inordinate importance. All media planning should be conducted on the basis of pessimism, moderated by gloom, with a healthy dash of caution.

However, there is another important lesson I learned from that experience, which was that the quality of sales or enquiries can vary enormously from one publication to another. Indeed, I have since learned that this principle applies much more broadly. A customer recruited through direct mail can be of greater or lesser long-term value than one recruited on the phone, or through the press. You have to study the behaviour of particular groups over the time carefully: all customers are *definitely* not created equal.

The best months and days

A cautionary tale

All customers are not created equal

PROVEN PRINCIPLES OF NEGOTIATION

This leads me to the very special area of *negotiating*, which can make nonsense of everything I've just said.

There is one overriding principle of negotiation. A principle which has been proved, in controlled tests, by Dr Chester Karrass of the Californian Centre for Effective Negotiating to hold true: **The person who asks for least (or offers least) will always come out best in a negotiation ... assuming his offer is not so ludicrous as to make it insulting.**

As long as you are pleasant and not too aggressive, never be afraid to make an offer you think is outrageous. This is so important not only in media buying, but in buying or selling anything, including your product or services. I will give you one or two examples from my own experience.

Many years ago, I became involved in a series of negotiations to obtain the rights to a central heating system which converted an ordinary coal fire into a most effective heating method. My partner (and mentor) in this negotiation was a man called Fox, who had worked all his life in the toughest business on earth: the rag trade.

The system in question had been developed by a big engineering company who had no idea of how to sell it. They had lost a fortune trying. It had cost £50,000 to create. Fox and I went to see them.

**Offer the
least**

He said he wanted to make an offer. They asked how much. He said: 'I'd rather not tell you, because you might laugh and end our discussions. You tell me how much you want.' People hate to make the first offer, as well he knew, and he had already made them realise he was not going to pay a lot. They then insisted on him telling them the figure. Once again he demurred. They realised this really *was* going to be a low offer. They insisted. He said: 'Are you sure you won't just end the discussions when you hear what it is?' They then reassured him. He said: '£2,000.' They were stunned: 'But this thing cost £50,000 to develop.' Nevertheless, their expectations had been brought right down.

He said: 'What are you going to do with it? You might as well dig a big hole in the ground and bury it, for all the good it is to you.' This brings out another important principle: always study your opponent to establish what his own position is. Fox knew they didn't know how to sell the unit.

In the end we got it for £5,000, but we never made any money, so even a low price can be too much.

Don't worry about refusal

My late brother worked in another tough business, property, and used to operate the same sort of system, but in a more systematic fashion. I asked him how he managed to make such a profit on taking a property and doing it up to sell it.

'Very simple,' he replied. 'I look at about ten or twelve houses that seem suitable every month. On each of them I put in a very low offer that's

bound to give me room for a profit. Nine out of ten will say no. Sometimes they will *all* say no. But I find there's usually somebody who has good reason to sell. The right price is what people will take. The big mistake most people make is to fear being turned down.'

So another rule of negotiating is that if you don't ask, you won't get.

You will be surprised, if you approach the media with an eye to their position as much as your own, what good deals you can get. You may be sitting worrying about making an offer that will be refused. At the other end the man may be praying for *any* kind of offer. What have you got to lose? Only a good deal!

Remember, a newspaper is like a railway train. Each day, it runs whether the seats (or advertising pages) are full or not. So if you make it easier for them, they will often make it cheaper for you. In this way, everybody is happy. And that is the *best* form of negotiation, because you are not just negotiating: you are establishing a relationship.

**If you don't
ask, you
won't get**

TEN GOOD DEALS

Here's how you can help yourself, and help the media. The obvious opportunities come first.

1 Volume discount

You'll usually get a better rate if you promise to spend at a certain level.

**Help the
media – and
yourself**

2 Series discount

Almost every medium offers a discount for taking a series of ads.

3 Run of week discount

You may prefer to go in on a certain day of the week. But the publication may like to have an ad ready to slot in on *any* day and give you a discount for the privilege.

4 Standby discount

If you have an ad standing by with the publication which they can drop in whenever they've got a problem, you should get a big discount.

5 Distress discount

This is the miser's favourite. Have an ad ready so that when they call you (and you let them know you are always interested if the price is right) you can negotiate a rate just short of daylight robbery.

6 Rate protection guarantee

Rates go up, but rarely, if ever, down. When negotiating, try to get the publication to guarantee you the rate at the time for a given period. It could be a big saving.

7 Special position free

If you have a good enough relationship with a medium, you may be able to get a special position (or time) with no premium. It's got to be worth it. And there's no harm in trying.

8 Specified day free

You can do the same with the specific day you want.

9 No payment for solus

A solus position on the page is usually worth paying for. Try to get it free, if you can.

10 Soft period discount

When space is hard to sell, and easy to buy, that's known as a soft period. You should make hay then.

The perfect deal

Finally, there's the *perfect* deal. The PI or per inquiry deal. There are few times in life when you can get something for nothing, but this is the next best thing.

You know how much you want to pay for an order or inquiry. The publication (or list owner) knows how much he wants for the use of his medium. If you can agree with him that you will pay so much per sale or inquiry, and he'll take it, then what could be more perfect?

Several TV stations in the UK were trying this method with direct advertisers for a period until an outcry from other advertisers forced them to stop. However, in most areas you will find somebody willing to have a go.

PI is the perfect way to *test* a new medium. The sales rep will tell you what a marvellous medium he is offering you. You will wonder. The best way to find out is to do a PI deal. In the end it will be to the interest of both parties. If only all media would do it, media buying would be so simple!

But one word of advice. No matter how well you negotiate people down, don't boast about it. Keep quiet, and protect your deal.

Made for Direct Marketing: the Internet

'If we could just add the words "dot com" to the titles of every one of our events, they'd all be complete sell outs.'

A publisher who runs conferences

Some of what follows may make you smile – or even snort derisively. It depends on how forgiving you are and how soon you read this after I wrote it in late 1999, early 2000.

That's because the Internet and everything to do with it changes so fast and unpredictably that what makes sense today may be nonsense within months. For example, as I was drafting this, Sega ran a campaign saying their machine allows you to access the Internet and send e-mails through your TV set. The new WAP mobile phones let you do the same.

But however the technology changes, I do not think the principles will. And you certainly cannot ignore this medium if you want to discuss direct marketing today.

Nothing I can recall, save television, has excited so many people – especially business people – as the Internet. A good place to start is by looking at the early years of the last century.

The most important date in direct marketing history may be 1930. In that year, Max Sackheim and Harry Sherman, owners of one of the first specialist mail-order agencies, invented the modern book club. This, as you know, was based on offering very cheap books if you agreed to buy so many over a period of time. It relied on direct-response advertising, direct mail and a powerful incentive to encourage a long-term relationship. The ingredients of classic direct marketing. That format has hardly changed since – you'll see examples in the illustrated section of this book.

**The classic
direct
marketing
formula**

Wisely, Sherman went into the book club business; Sackheim – clearly a masochist – kept the agency. He wrote one of the best advertisements *ever*, headed ‘Do you make these simple mistakes in English?’ – it ran for over 40 years.

Eventually, a friend of mine called Eugene Griffin, who taught me a lot, ran the old Sackheim & Sherman agency. Now over 80, Eugene is still very sharp. I lunched with him a while ago. He said two very interesting things.

One was, ‘My God, I wish I were 20 years younger. I’d make a fortune on the Internet’. The other was, ‘You’ll be relieved to know I don’t have any Internet stocks’. Both are worth commenting on.

He knows that the Internet is not just an advertising medium, which is how many saw it originally. It is a near-perfect direct marketing medium. Every transaction is direct, which is why our skills are so relevant.

What exactly is it?

Incidentally, the expressions ‘Internet’ and ‘World Wide Web’ are increasingly used interchangeably. They aren’t the same thing. The Internet is the network (servers, cables, etc) and the services on it (World Wide Web, e-mail, newsgroups, etc). The World Wide Web (WWW) is the graphical part of the Internet, ie all the Web sites.

Web sites consist of text, images, video and animation linked by ‘hyperlinks’ creating a ‘Web’ on a ‘World Wide’ scale. It has become such a big part of the Internet that fewer and fewer people – and certainly not a techno-ignoramus like me – can clearly distinguish between them.

The Internet can be compared to railways, telephones, electricity and motorways. These technological advances didn’t just create new markets; they changed how existing markets worked. However, those who ignore the lessons old markets have taught us will fail. I shall return to this later.

PERHAPS THE FASTEST GROWING NEW MEDIUM EVER

If you think about it, any way to communicate that is easier, cheaper or quicker is always bound to appeal. The Web offers all three of those benefits.

It enables you to exchange very complex messages – incorporating sound, pictures, colour and movement – with a person or many people anywhere in the world, in seconds, for the price of a local phone call. You can find on it a prodigious amount of information on any subject you care to mention, and some you daren’t, and download it, ie extract and store it on your own computer, then print it out or send it to other people.

How fast has it grown?

The Web has been around for much longer than many realise. The central idea was devised for academic and military purposes by British scientist Timothy Berners-Lee who nobly refused to profit from his idea. It was years before its commercial and social potential emerged. Since then, its growth has been astonishing, as reflected in the following much-quoted statistics.

It took 35 years for radio to reach 50 million listeners. Television took 13 years to reach that audience. The Internet grew from having a few thousand users to having 50 million in just 4 years.

Some people think that e-mail – messages over the Web – will make ordinary mail pointless. Why use ‘snail mail’ if you can communicate faster and for much less via the Web? There is some evidence to support this. I read 20 months ago – in mid-1998 – that 10 times more e-mails than posted letters were sent in the US.

Like a lot of statistics, this was not entirely clear. I’m not sure if the figures referred to business letters or all letters. Either way, it was amazing. However, a point to note here is that new media rarely supplant old ones completely. They usually complement them. More about that later.

One firm that has flourished through, and helped develop, the Internet is Cisco Systems. Their technology is responsible for more connections to the Internet than any other. A while ago I spoke at their European marketing conference. Their Netherlands delegate told me afterwards that he gets at least four times more response from e-mail to business prospects than from direct mail. This is a figure which should make anybody think.

When our agency set up a Web site – www.draytonbird.com – we were eager to know how many people would visit. It is a very specialised site. It does not deal with anything of burning importance; it’s all about direct marketing and how to use it, with some other marketing issues covered.

Less than six months after we started it got 23,701 ‘hits’ in a month. This figure is not as impressive as it sounds. Hits are just the number of times people have clicked on to a particular element of the site. What is significant is how many individuals log on to the site – and how long they stay.

**‘Hits’ don’t
really count**

For no obvious reason, the length of stay on our site varies month by month, ranging from 15 minutes to 24 minutes; the number of hits per month has gone up to over 35,000, and as many as 150 people log on each day. They come from all over the world – and that is a huge benefit of the Web: you needn’t be physically sited all over the world to have a worldwide presence.

Since the site’s content has not essentially changed, this suggests a growing liking for the medium. The value of this is hard to overstate: how often do customers actually enjoy your messages because of the medium itself? Do people pay more attention to your posters or TV commercials than they did six months ago?

WHY DO YOUR CUSTOMERS USE THE WEB?

People do not browse the Internet to be advertised to, any more than they open their post to read sales letters. Research shows 92 per cent of those who log on do so to gain information.

The Net is unlike most other media. An advertiser can reach you in many ways, but traditional media depend upon you happening to be wherever they display their advertisements. Thus, you read a newspaper – you see advertisements. You watch television – you see commercials. You walk down the street – you see posters.

**Intrusive
techniques
are resented**

You don't necessarily *want* to be exposed to the ads. The advertiser has to make an effort to reach you. When you get your mail, you find direct advertisements. The direct-mail advertiser must take the trouble to find out your name and address and write to you. And you have to be sufficiently interested or curious to open the mailing.

Statistics I have quoted earlier in this book show that people are interested enough to open most mailings. But we have also learned that whilst people may not lose much sleep over the volume of direct mail they get, they usually resent bad direct mail more than other forms of bad advertising because it is so intrusive.

For much the same reason, people strongly dislike unsolicited e-mails, commonly called 'spam'. Technology can help with this: whilst reviewing this chapter, I read that Yahoo have developed something called Spamguard, which segregates the stuff in a folder for you to review. More or less what you do with ordinary direct mail.

People are not very keen on 'banners' either. These are the little ads that flash up automatically and get in the way of what you actually logged on to the Internet for. There is also a device called the Interstitial, which appears briefly on the screen while you're waiting for whatever you asked for. Some of these techniques may irritate more than the irrelevant direct mail or witless commercials, as you can't avoid them. Having said that, we use 'pop-up' messages on our site, which are what you imagine – things that suddenly pop up on screen with a message, eg 'Please e-mail us. We'd love to hear from you'. Replies outnumber complaints by a huge margin.

Who's making money – and how much?

You can get all sorts of information on the Internet – but what most people like to do is look at pornography. Seventy per cent of browsing is done on sex sites.

Don't be shocked: anybody in the hotel business will tell you that the videos most frequently looked at in their rooms are the sexy ones. Whatever else happens, new technology is not going to stop sex being the most important thing to most people once they've filled their stomachs. Many of these sites are sophisticated technically so that 'legitimate' marketers often study and copy their ideas.

OK, so you're not a pornographer. How much money can you make on the Internet? Maybe not as much as you might think from listening to all the big talk. There are some important exceptions, though, like Dell Computer, who sell directly and are currently the world's fastest-growing firm in that industry.

Dell are turning over \$10 million a day in the US alone via the Internet. I must say, though, having bought from them, that their service – like that of many others in the field – does not match their claims.

Peapod in Illinois became the US's largest provider of online groceries almost by accident – the Internet wasn't even part of their original

business plan. Brothers Andrew and Thomas Parkinson (aged 39 and 37, respectively) thought up Peapod whilst working at Procter & Gamble. After they left their jobs, Andrew spent six months delivering Domino's pizzas to learn about delivery.

By 1999, more than 67,000 customers in six states were buying from Peapod, whose partners are large food retailers like Safeway and Jewel. Peapod employees pack and deliver the orders from the nearest partner store. Peapod charges your credit card, takes a tiny percentage as a delivery charge and reimburses the grocery store. If you buy the same goods each week, you can keep a standing order that is automatically fulfilled – any additions or deletions are a mouse-click away.

Peapod promote the service in grocery stores with leaflets describing the service. Prospects also see Peapod employees in their green-and-white aprons doing other people's shopping. Peapod also use traditional direct marketing: 'Direct mail works extremely well for us, with radio overlays as we go into a new market', says Randy Pickard, Director of Electronic Marketing.

Many traditional retailers are pursuing what is called a 'Clicks "n" mortar' strategy. When in 1997 The Gap in the United States tested the Internet, and found that their second most successful 'store' at Christmas was the Internet site. They then started a special division for this type of commerce. By mid-1999, some other retailers said that they were getting about 20 per cent of their sales this way.

Even in a relatively unsophisticated market – Portugal – one supermarket, Pingo Doce, is pursuing this strategy. My own experience is the place that should be doing it best – the US – has been very disappointing.

I gave up buying a computer on Circuit City's site because the process was so laborious and the replies to my queries delivered in friendly but quite incomprehensible techno-babble. I got these, after an eight-hour wait, over the phone because the question-and-answer section of their site simply doesn't work properly. E-mails to Radio Shack's CEO about service were simply ignored.

In England, Tesco have overtaken their great rival, Sainsbury's in recent years to become the number one UK supermarket chain. They may well increase their lead because of the intelligent way they are looking at this form of shopping.

However, here too, people are often very disappointed by failures in mundane, but important, matters like speed of delivery – boring details visionaries often overlook but customers never forget.

Not only did Tesco set up a Web site. They went one step further: they offered their own Internet access, becoming an ISP – Internet Service Provider – and giving that access free. This move was judged so smart by the investment community that the day it was announced, Tesco's shares leapt up. Many other UK marketers are adopting the free-access strategy, including the BBC, Eagle Star Insurance, Boots and WH Smith. However, the market is moving too fast to judge how many of these initiatives will thrive eventually. I believe there will be a big, bruising shake out. Maybe several.

Details let customers down

A FINANCIAL CONUNDRUM

This brings me to the second remark by my friend Eugene Griffin. The most talked-about firm on the Internet has been Amazon.com, which sells books, records and other items. *Advertising Age* magazine voted them brand of the year in 1999. Interestingly, in the article on this there were many statistics about turnover, but no mention of profit.

Three years ago, Amazon announced their financial results. They had lost \$4.7 million on a \$16 million turnover. Their share price doubled upon this bad news, which puzzled me. This pattern has continued: Joost van Nispen, founder of the Spanish Direct Marketing Institute, understands these things better than I do. I asked him why.

He explained that investors had noticed the business was doubling in size once every three to six months. And they noted another very significant indicator: the very high rate of repeat sales. Since, as I mentioned earlier in this book, the aim of business is not just to make the first sale, but to make a series – to make and *keep* a customer – this was seen as very important.

In the UK, Internet fever has been huge, though some much-touted ideas (of which Lastminute.com, a sort of sophisticated last-minute bargain seller, has been the most celebrated) have given investors some nasty shocks. The number actually shopping on the Net is very small. Only about 20 per cent of all UK adults can access the Web, and only a sophisticated (and determined) few buy on it.

Still only a minority buying

In the 1840s, a remarkable book appeared called *Extraordinary Popular Delusions and the Madness of Crowds*, by a journalist called George McKay. It is still well worth reading because it deals with a most fascinating aspect of human psychology – the crazy mistakes people make when investing. The South Sea bubble in the US was one example, as was the Dutch tulip mania of the 17th century. At one point, people actually changed their houses for just one prized tulip bulb.

The Internet is a mania and people – especially investors – are mad about it. But it is not a panacea. The founder of Amazon, Jeff Bezos, said in early 1999 that he thought his firm's shares overpriced. Bill Gates claimed a while ago that he had no shares in this sector and thought his shares were expensive.

Here is a comment from *Forbes* magazine, 8 March 1999, about Amazon:

In the past 3 years Amazon lost a cumulative \$162 on sales of \$774 million. Indeed the deficit has grown nearly as rapidly as revenue. As a percentage of net sales Amazon's net loss has actually got worse, widening from 16.4% in the last quarter of 1997 to 18.4% in the last quarter of 1998.

Amazon's explanation is that they re-invest all their potential profits in improving their offering, so as to build their brand and get in more customers in the hope they can make them loyal – or at any rate profitable – before competitors get hold of them.

This latter point is interesting, since we are talking here about the value of a customer – a critical concept we discussed earlier when looking at the economics of direct marketing. Amazon apparently pay £50 to get a customer. I have no idea how long it takes them to generate that much revenue per customer – but that’s the key calculation.

Meantime, other booksellers who already have profitable customers and famous brands – like Barnes & Noble in the US and WH Smith in the UK – are getting in on the act.

The distinguished financial journalist Christopher Fildes commented in November 1999 that Internet firms don’t labour under the same discipline as others: their shares are based on prospects, not profits.

Another perceptive writer, Michael Lewis, noted that this is the only sector where actually having a track record is a disadvantage. Investment cynics point out that most of the profits made so far have been by people working on The Bigger Fool Theory: you buy a worthless stock and sell it on to someone else for more before the brutal truth emerges.

You may draw your own conclusions from all this, but three months after the quote from *Forbes*, above, share values in the Internet sector on the New York stock market slumped 52 per cent in a day. More alarming ups and downs have occurred since. I don’t think they will be the last.

However, shares in Cisco, whom I mentioned above, have thrived. So have providers of essential services, like Baltimore Technology, who specialise in Internet security. This suggests that investors believe completely in the medium, if not in all those selling through it. That makes sense to me.

**Prospects
more
important
than profits?**

CLASSIC DIRECT MARKETING PLOY

As I observed earlier, those who see the Internet firstly as an advertising medium are probably wrong, but it is perfect for direct marketing. One reason is that just about the most powerful direct marketing trick is to sell somebody something extra after they’ve just bought. This is why Amazon get such high repeat sales.

If you buy a book from them on marketing, for instance, they will immediately say, ‘Here are some other books which you might like’. In fact, I was flattered a year ago to see that when a friend bought a marketing book, they recommended two of the best books ever on the subject, *Ogilvy on Advertising* and John Caples’ *Tested Advertising Methods* – and the book you are now reading.

The word written or printed on paper in a letter, book, catalogue or brochure will never be bettered as a way of communicating knowledge which can easily be read, mused over in detail and referred to quickly. Bill Gates admitted this in an interview at the time of the 1999 World Book Day.

Often, other media are more convenient than the Internet. For instance, suppose you want to find out the times of trains from London to

**Traditional
media will
not be
replaced**

Bridgwater, Somerset, as I often do. You can log on to the Internet; you can phone up the railway enquiries service, or you can keep a printed timetable handy. In my experience, the latter methods are quicker and more convenient.

One of my partners points out to me that a timetable site can be personalised for the stations, destinations, and times you most often use. When used like this, they could be *more* convenient than any other form. But I wonder how many people will bother; sloth is one of the most enduring and entrenched human vices.

Some services I have mentioned – like online grocery ordering – may appeal to some, but not to others, as Winston Fletcher pointed out in a funny and perceptive piece in *Marketing* magazine in May 1999. Just as some people don't like buying through the post, so others won't like this new medium. They will prefer to touch and feel before they buy.

An educational foray into medieval times

In the late 1300s, an agent of Signor Datini, an Italian merchant, complained that 'we spend half our time reading letters or answering them'. No wonder, since between 1364 and 1410 Datini exchanged 156,549 letters with his associates. For many years he had 10,000 letters annually, which zipped back and forth all over Southern Europe – all handwritten, of course.

So people managed pretty well without the Internet all those years ago. Incidentally, that story is from *Worldly Goods* by Professor Lisa Jardine, a very entertaining read based on the obvious thesis that during the Renaissance rich people were just as vain, flashy and grasping as they are now. As John Caples observed, times change; people don't.

In Signor Datini's day, people thought the new invention of printing would make life easier – just as people expect great wonders from the Internet now. Well, in some ways it did, and in others it didn't. Every time a new medium emerges – radio, the cinema, TV – the experts tell you it will render one or more of its predecessors irrelevant. Yet usually nothing of the sort happens. We seem to have an insatiable appetite for messages of *all* kinds.

We all still like personal communications coming through the door on paper. That may change, but even during recent years when the written word has been challenged by other media and the amount of commercial direct mail has grown prodigiously, the volume of personal mail has only gone down by 28 per cent.

I suspect that people will tolerate junk mail, electronic or otherwise, even less as the capacity to send junk messages grows almost without limit once your name is on an e-mail list. Even here, economics will provide a check. After all, someone must be paid to prepare the messages, and only the ones that prove profitable will survive.

Data protection and government snooping

The rise of the Internet has coincided with increased concern about data protection. New regulations will make it increasingly difficult to hold information about someone without their permission. Many firms will have to write to their customers telling them what information they hold and how they might want to use it. I advise you to keep a close eye on these regulations.

This will enhance the need for marketers – across *all* media, including the Internet – to make their propositions more relevant and imaginative. It will also lead to more and more of them joining forces to exchange data (with the permission of recipients) besides sharing development costs for new media strategies.

The very bad news is that interfering governments often want to put software in computers to check up on what we are all watching. So they can be as nosy as they like, but marketers can't.

One colleague believes that the future of computing may be less about plastic boxes on desks and more about personal computers we wear. The increasing miniaturisation of machines makes this likely. Watches already use similar technology.

People may try to adapt more to the logic of technology rather than get computers to mimic human skills. This will change the way that technology is used, even in the short term. As an example, think for a moment of the lengths to which most of a whole generation went in the rush to meet technology when TV games consoles were launched in the 1980s.

To play these things, you had to develop coordination skills more appropriate to a Formula 1 Grand Prix driver than to lifting a pint or two at the local. I remember watching parents, in amazing displays of contortion, go hell for leather to give their son or daughter a good thrashing at Asteroids or some similar game.

Did this new entertainment medium replace other games? Did we all throw away our Scrabble boards in search of the perfect Pac-Man score? No. We may even have come to appreciate traditional means of entertainment more, giving space for both to exist, whilst changing our behaviour and the way we use our televisions forever.

You certainly couldn't say that TV/computer game technology, when it first arrived, was consumer friendly. A lot of the devices were incredibly basic, difficult to play and made programming a video recorder seem a breeze, but the bug had bitten. The attraction was in the added involvement and interaction that the new toy gave.

Since then, these gadgets have succumbed to the 'faster and smaller must be a lot better' rule of information technology. And certainly, developments in artificial intelligence have made our technology more 'human like'.

Despite this, we still have to adapt what we do to the lowest common denominator, which – despite all attempts to prove otherwise – remains (for the moment) technology rather than flesh and bone.

History repeats itself in the case of the Internet. Why would otherwise sane human beings sit for ages waiting for a bit of plastic to 'handshake' with another box elsewhere, only to have to repeat the whole process again (and again) as some protocol somewhere around the globe decides that we can't have our e-mail just now, thank you.

**Humans adapt
to technology**

**Technology is
still the barrier**

The latest predictions for the human/machine interface (in other words, hearing, seeing, and typing) include the idea that we will all have to learn a new form of handwriting script that will make it easier for machines to unambiguously interpret our commands. Oh dear.

So the bottleneck will continue to be caused by how fast and how small a means of entering and retrieving information we can use to get truly interactive through the miracle of the Internet.

However, whilst we currently struggle with overloaded communications devices, advances waiting in the wings are almost ready to bring us yet more reasons to get hooked.

The Internet, as we know it, may disappear sooner than we think. Digital TV and video, information services, Internet connections – all personalised to individual needs – may be connected via a common interface like the TV set or portable computers.

The huge increases in storage technology will mean that you can send personal video messages and programmes to each household or individual even whilst they are away from the ‘computer’, as with e-mail now. Messages sent will be scanned for relevance, which the person concerned will have already fed in. They can then be dumped or used accordingly.

The first such device, a digital video recorder using a computer hard disk instead of tape, will be on the market quite soon – indeed, it may well be by the time you read this.

An opportunity for direct marketing

What is this all about? It is an extension of what direct marketing is all about – giving people what they want, when they want it – as a result of better technology.

So what should you conclude? Since this form of communication is getting popular so much faster than any previous method I know of, and marketing depends on good communication, you’d be crazy not to get involved as soon as possible.

What will make it take off faster everywhere is cheap or even free local phone charges, such as they have in Southeast Asia and the US. These are bound to come. Even without them, consider this: simply as an outbound means of reaching your prospects, this method involves no printing, paper, envelopes or postage – yet gets better responses than direct mail – often almost instantly.

As I said earlier, some of what you have just read will prove wildly inaccurate, but I predict one thing confidently. Many marketers will misuse these advances expensively. That’s because no form of technology gives commonsense and imagination – both essential to understanding people and business.

THE DEVIL IS IN THE DETAIL: INTERNET PRACTICALITIES

For 20-odd years, I have slogged around the world preaching the gospel of direct marketing. Looking back, I am amazed at my persistence, since so few people wanted to listen most of the time.

I never lost hope, because it seemed inevitable to me that this form of marketing would triumph, and it is now doing so. A change in the climate has occurred; direct marketing, from being beneath contempt, is now fashionable. This isn't for some inchoate reason: it is because all the factors mentioned earlier in this book suddenly became so relevant that nobody could ignore them any longer.

Technology was one – and the Internet is a product of new technology.

Lots of firms rushed into direct marketing. Most still do it wrong. The same applies to the Internet. Many new entrants remind me of the old joke about the man who jumped on his horse and galloped off in all directions. Their enthusiasm has outrun their intelligence.

Here's a cautionary statistic for you: most Web sites are never visited by *anyone* – ever. And even when they are, things don't always go very well.

Recently, a report by research group Creative Good revealed that 39 per cent of attempts to buy something on the Internet failed. People just gave up, baffled by inadequate, slow or illogical technology. This did not surprise me.

Most firms are more enthusiastic than competent

Strategy and planning are important in this as in all else. You must consider *what* you are trying to do, *why* you are doing it, *how* you plan to set about it – and all the little obstacles that may occur along the way.

If you don't know what you're doing, this is a pretty good way to waste money. More money than you'd imagine. In the last year the average cost of setting up and running a site has more than doubled. That trifling sum mentioned initially by the people who create it for you may bear no relation to what is eventually costs.

Not until you really get into this medium do you understand how many things can be done. Some are quite wonderful – but all cost money. In the case of our own site, we ended up investing far more than I expected. It has paid off, but you can certainly profit from a few of my mistakes.

You will discover there are many things your Web site can do for you – for the most part, things direct marketing can do, but faster. However, you have to determine them and try to assess their likely benefits.

So here is a series of questions to help you to get on the right lines.

Think about them carefully, answer honestly and you will be far less likely to squander valuable time and money.

SIX THINGS THAT YOU MUST ASK YOURSELF BEFORE YOU BUILD A SITE

You will soon notice that many of the matters I am about to discuss are similar to ones I've already covered in this book. But all marketing has great similarities, no matter what the medium or channel of distribution, so I am going to repeat them, perhaps a little differently.

1. Why do you want to be on the World Wide Web?

2. Who are your customers, and who do you want to attract to your site?
3. What do you want your site to do for your organisation?
4. What attracts people to a site?
5. What keeps people on a site, and what persuades them whilst they are there?
6. What makes people return to a site, and what makes them reply?

1. Why do you want to be on the World Wide Web?

Ask yourself very scrupulously, why you are doing this? Is it for personal reasons? They will probably turn out to be the wrong ones. Or is it for corporate reasons? If so, what are they?

The Internet reminds me, as I have already noted, of what happened when the database first came in. Dim marketers (the majority, I sometimes think) feared being left behind, spent a fortune building databases that were far too often unsuited to their purposes, then sat around wondering what to do with them. Most did very little – still true to this day.

Just as many are mesmerised by the idea of advertising on TV so as to boast about their new commercials at the golf club, others want to be able to prattle on about their Web site. They pile in because it is the thing to do; everybody else is doing it: why not us?

Well, there may be many reasons – for a start, maybe you could do better things with your money.

2. Who are your customers, and who do you want to attract to your site?

Everything starts with the question, who do you want to talk to? Define your customers and prospects demographically and psychographically, never forgetting that your prospects are likely to be very similar to your customers.

By demographically, I mean who they are from a social and economic point of view; by psychographically, I mean what motivates them, how do they think and feel?

So, how much do you know about your customers? Do you already have a database that tracks their behaviour? Your answers will determine everything from the content of your site to the reciprocal links you set up with other sites.

3. What do you want your site to do for you?

For example, do you want to redefine or reinforce your positioning? To increase sales by five per cent through e-commerce in the next year? To free space or resources for other things? Write it down.

To succeed, you must focus on the four objectives below:

Four clinical objectives

- To get people to your site before they go to your competitors’;
- To keep them on your site for as long as possible, or certainly long enough to convince or sell them.

- To persuade them you are one of their natural options – preferably their ideal one;
- To get them to respond or, failing that, decide to revisit for more information.

Your site can certainly help position you as an authority in your market, for since people are looking for information on the Web, those who seem better-informed sites are seen as better firms.

Your site can generate sales – though perhaps not as quickly as you hope. Few people buy first time when they come onto your site. This is no surprise. A few years ago, McGraw-Hill discovered that, on average, a salesperson does not make a sale until the fifth call.

But your site can do many other things:

- It can help to identify your customers' buying patterns;
- It can enable you to provide more services and a better service to your customers and prospects;
- It can deliver free, valuable and relevant information to keep customers coming back, attract fresh prospects, and build trust;
- It can help with one of your most important jobs: attract new employees, slashing normal recruitment costs.

**Four
practical
benefits**

4. What attracts people to a site?

I shall discuss the name and the registration of the right trigger words later, but there are other elements – like sponsorship – that can lure interested people to your site.

You could ask one of your clients, or an associate firm, to sponsor your site. Someone whose product or service has a natural affinity to yours, or who may have information your prospect or customer would appreciate.

For example, the Vauxhall Motors site is sponsored by Traffic Master, who provide traffic information. Such associations can lend your site authority by offering something other people already use effectively in another market.

Newsgroups and message boards:

Newsgroups frown on blatant self-publicity, but everyone is there to network. This should pay, just as attending normal industry groups and conferences does.

Good generic business newsgroups, like Netscape's 'Connections Communities', are very closely monitored, with a manager prompting replies from participants to keep the conversation fresh.

Direct mail and e-mail

Launching your site gives you a reason to *talk* to your clients and prospects. This worked for us: we got leads as a result. You can also write to suppliers, customers or clients, senior people in your industry and journalists, inviting them to visit the site.

Reciprocal links

This is an absolute must for finding new prospects – actually more powerful than search engines.

Brands with a strong affinity to you that are more widely known may have Internet sites already. They are the most likely partners, as they will help you build awareness quickly by exposing your brand to their own, larger audiences.

5. What keeps people on a site, and what persuades them whilst they are there?

The answer is simple. It's not clever technique. It's simply better content, and more of it, that gives customers what they want: useful information and greater benefits.

Our site has 609 pages. We answer common marketing questions; we give case histories; we offer advice. We even have a quotes contest – which appeals to me, if nobody else.

It is a very simple site; no tricks or gimmicks, as you will see if you visit. It is by no means perfect or very impressive, but there is an awful lot to take in. I have been amazed at the number of flattering comments from all over the world, and how often people keep coming back.

**Content
matters
more than
cleverness**

Inform, amuse and benefit your visitors

There's a 'convenience paradox' on the Web: people use it to *save* time, and to *waste* time. Make it easy for them to do both.

Once you've got visitors to your home page, you must persuade them to explore. Map out your flow of information following how one of your salespeople would handle a customer. As with normal direct marketing, tell them all about the benefits you offer – descriptions, pictures, demonstrations if possible. Give them valuable information. Quote reviews, testimonials; show satisfied customers, explain how easy it is doing business with you. Ask for their comments; 'E-mail us, we'd love to hear from you' is a message that works for us.

And if you can think of something entertaining, involving and relevant – put it in. Something that requires them to join in but isn't too demanding – and offers a prize. Then they will tell you about themselves. (Does this sound like a sweepstake to you? Quite so.)

Seth Godin of Yahoo has written a good book called *Permission Marketing*. It elaborates on the benefits of offering something appealing to get people to tell you about themselves – and give you permission to contact them.

There is nothing new about this – it is as old as the book club. But he has explained its importance, particularly in the context of the Net and a new generation of customers, who increasingly resent being pestered, extremely well.

Once you know more about your visitors, you can build content to satisfy the needs of individuals or groups. Other firms will be keen to reach your customers or visitors and talk to them.

6. What makes people return to a site, and what makes them reply?

Once again, links are important. Many visitors return to sites specifically to use them. Links will keep them on your site longer and are easy to keep fresh.

Remind Them to Visit

Get your customers' permission to e-mail them, then send useful messages to bring them back to your site.

Give them a taste (not just a tease). Don't just e-mail them with an enticing headline plus a 'leader'; give them three paragraphs, just as publishers provide a sample chapter at the end of popular paperbacks to sell the next in a series.

Get their permission to keep in touch

Ask them for their e-mail addresses whenever you reasonably can – but offer them something in exchange.

Do it on your homepage, perhaps offering a weekly e-mail about sale items, special deals, new products and site updates. Do it with each order; with each new account; every time someone asks for information.

You should definitely try to get your visitors to complete an online questionnaire for you to learn as much as you can about who they are, what they want and what they think of your products and services.

This gives you permission to contact them – as mentioned above.

As with any other kind of direct marketing, incentives are important. Prizes, discounts or extra services. If you're a wine merchant, you can offer meal-planning wine lists or regular half bottles of new labels with a purchase. If you sell or service cars, offer daily-updated tables of the best deals for customers' marques online.

INSTANT KNOWLEDGE

As you have already learned, direct marketing success starts with knowledge – and grows with more knowledge. The Internet is uniquely powerful in this respect. Here is a just an indication of what can be done.

You can have a *dynamic* database. Content is built immediately, as soon as your server recognises a regular customer or prospect arriving on your site.

This will eventually enable you to give them a totally personalised Web visit, where you provide them with exactly what they need, based upon the knowledge you've gained. No voice mail. No waiting for call-backs. Fast, cheap, impressive information and service.

**Close to
perfect
personalisation**

You can track your customers' movements across your site, gather valuable buying-pattern data and identify shared characteristics of customer groups.

You can also use demographic tracking to help you build vital, fresh, new content and Web site features. You may discover prospects who log in at a certain time of day often buy the same product in their first transaction. You may find customers leave the site at a certain loophole in the process.

THE COMPARISON WITH TRADITIONAL RETAIL

One of my partners has a lot of retail experience. Before writing this, I asked him what matters. He replied with the well-known mantra, 'Location, location and location'. But I think he over-simplifies, and propose the following rules for success, which apply equally to Internet commerce:

1. Get a good location.
2. Give people what they want.
3. Lure them in with enticing offers.
4. Make shopping a pleasure.
5. Signpost things clearly.
6. Sell more while they're in the shop.
7. Keep in touch.

Let's examine them one by one. I'm afraid I have to assume you have some knowledge of the technology I am talking about – but take heart: few people are less interested or knowledgeable about technology than I am.

1. Get a Good Location

In ordinary retail that means a good high-street site or an out-of-town location people like visiting – in a shopping centre, for instance.

On the Web it means getting a good name. You can use your name, a brand name or something you want to be known for – eg Speedy.com if you are a delivery service. Normally, your own name is not a good idea unless you are already well known for something.

You must also ensure your site is related to the right ‘key’ words, so you must register on the right search engines. This is important because when your prospects go into a search engine (Yahoo, for instance, which is the most popular) and type the words that interest them, you want them to be directed to your site.

Unfortunately, it’s not that easy – rather like registering a good personalised plate for your car. You may not be able to register the words you want in the order you want them. We would have liked the words ‘direct marketing’. In the end, we settled for ‘marketing direct’.

2. Give People What They Want

Often, this may be more what they *don’t* want.

Take banking and finance – the biggest direct marketing category. Why do so few people like visiting their banks? They are frightened because they don’t understand finance. They don’t feel in control. They find the process slow, tedious and impersonal. Bankers are seen as arrogant. Hardly surprising when you think how long it took for them to adopt opening times that suit customers rather than the bankers themselves.

So how can electronic channels help? (And this applies to all transactions involving a complex product or service – eg computers or insurance.) They can be less threatening – give you a greater feeling of being in control. They can remove confusion – allow you time to study anything that puzzles you. They can simplify the process rather as the ATM did. Just press a few buttons, and the machine does what you want.

To my mind, good direct marketing replicates the best parts of personal service and eliminates the bad parts. A good start is to ask what a good bank manager used to do before the dumb banks fired them all.

First, he or she found out about your situation, then probed to discover your needs and analysed the possibilities. Then the bank manager suggested a good solution.

Online services can do all that, but faster and maybe even better in some ways because of their ability to link the vast amount of knowledge held on a database to a customer’s needs. The economics of the Internet are such that some firms are only offering their services via this medium – for instance, Egg, a subsidiary of The Prudential, and Smile, part of the Cooperative Bank.

New ideas invariably create new problems. Telephone call centres – which were allegedly going to suffer from this new competition – are attracting a lot of new business handling complaints from customers who are not getting the service they wish for from the Internet. So, a touch of scepticism is not inappropriate.

**What online
does better**

3. Lure people in with enticing offers

Like a lot of what I am discussing, this is basic direct marketing – good examples being the low interest offers that have driven credit cards like MBNA, the free advice offered by ‘Goldfish Guides’, or Tesco’s offer of free access to the Internet.

4. Make browsers welcome

Involvement devices on a site can engage people in a pleasurable way. They are the online equivalent of all the stamps and scratch-cards that work so well in print. But technology should be a tool, not a barrier. Your site will be very confusing if you’re not careful. So don’t show off with flashy tricks and jargon.

‘Retail is in the detail’, they say, so make sure *everything* on the site works. Not for designers with fancy Macs, but for people sitting at home using their kids’ PCs. For both large and small screens, and different browsers.

Make sure it works for everyone

The advanced technology available to your designers will not be in many people’s homes. Smart record producers play their potential hits on a cheap radio to see how the music will sound to their customers. The same principle applies.

5. Signpost things clearly

Is it easy for customers to find what they want – and go there quickly? Are the verbal descriptions clear – even to an idiot?

You will find on an amazing number of sites that nobody bothers to tell you a) what to click, b) what will happen next or c) what the benefits of the site are.

6. Sell more while they’re in the shop

Again, I’m talking about basic direct marketing principles: the ‘instant bounce-back’ referred to when discussing Amazon earlier.

All good mail-order traders know that the best time to sell is when people have just bought. Why sell one thing when you can sell three? This process is infinitely faster on the Internet.

7. Keep in Touch

Remember the rules of direct marketing. Build a good database – and exploit it. Communicate more, rather than less.

If there is one area where I find Internet marketers weak, this is it. (When you order on the Internet, firms ask for your e-mail address so that they can reach you but, like all things, this shouldn’t be overdone.)

TOO MANY RELY ON NEW IDEAS MORE THAN HAPPY CUSTOMERS

Most direct marketers – especially those working in the area of technology – are very bad at keeping in touch. They all rely upon a stream of new ideas to survive, but rarely tell their best, most important prospects – their customers – about them.

No computer or software manufacturer I know of talks enough to its customers. Few even tell you about new models through any media other than your computer. Most don't even do that.

In the years I have had a variety of computers, no firm has even done what I call 'kindergarten direct marketing' – placed my details on file and told me about new products. Not one has even attempted to find out anything about me. I look forward with relish to the day some of these fat cats, who lived off technology, go broke.

Take an obvious example. The Toshiba machine I am writing this book on is pretty clapped out, so I'm ready to buy a new one. Have Toshiba ever talked to me? Of course not. Dumb, dumber, dumbest.

Dell have been the fastest-growing computer firm for some time. They do well, in my view, because they offer a better product, not because of good marketing. The catalogues I've seen are unimpressive and, worse still, not even accompanied by a letter. The service, as I remarked previously, does not always live up to their claims.

Returning to e-commerce, most firms have forgotten, or never realised, that this is ultimately just retailing, as the following illustrates:

Contrary to media hype, Web commerce is not a revolution but an evolution in retailing. Online stores fail to translate the lessons learned from centuries of land-based retailing and merchandising into successful online-shopping experiences for consumers. Even though technology has changed, the way we humans process purchasing decisions has remained the same.

Shelley Taylor, author of *Click-Here Commerce*

Direct marketing basics definitely apply on the Net, and a good place to start is with direct marketing's oldest retailers. What does a good catalogue do? It introduces with a personal message in the form of a letter. It points you to the best deals and the new offers. It keeps everything plain and simple, using pared-down, clear language. And it asks frequently for the order.

WHAT YOUR SITE MUST DELIVER

Here are seven things you should demand of your Web site, and one suggestion:

1. Is it a pleasure to visit – with easy-to-read script?
2. Are transactions easy?
3. Does it feature benefits, or just product names?
4. Does it involve – or confuse?

**Hi-tech firms
ignorant of
basic direct
marketing**

**Does your
site meet
these
desiderata?**

5. Does it try to learn about customers?
6. Does it work hard to get replies?
7. Is it quick?

Once you're happy with it, I suggest that you ask 10 customers who have either been using computers for less than a month or are frightened of them to find it and try it – without any help.

If you are selling from your site, use your own credit card and buy something. See what happens when your customers buy from you. In short, as with everything else, only the customer knows for sure. Far too many marketers forget this.

**Where most
marketers
fail –
dismally**

Shelley Taylor, whom I quote above, surveyed 50 sites, including CDNow and Blockbuster Video. Only two would work with older computers. And, going back to basic retailing techniques, 24 per cent offered no pre-sale assistance, 32 per cent didn't tell you how to buy, only 12 per cent offered third-party reviews of products and only 30 per cent told you if products were available.

A lot of these people are going to find out the hard way if they don't learn the basics – fast.

THE GREAT DIVIDE: MARKETERS VERSUS TECHIES

As with other new media like the database, the Internet has been dominated by 'techies'. It was the same when TV came in. Advertising agencies hired a lot of out-of-work actors and failed directors because they thought that film technique was what mattered.

Eventually, they realised commercials were just advertising, and those who would do best were probably advertising people. A similar principle applies to the Internet, but even more, as it is not so completely an entertainment medium as TV.

I am not saying technical knowledge doesn't matter. It is vital. But look at a good Web site; it has all the features of traditional media. If it's a newspaper site, for instance, it looks amazingly like a newspaper – see the Wall Street Journal, for example. If it's selling, it has good direct response ads or mailing: involvement devices, incentives and lots of easy-to-read, persuasive copy. The orders come in instantly – and you can sell something extra very fast.

Here are two comments; one from my former partner, and one from someone in publishing. Although the first seems a little intemperate, both, I think, have validity:

As someone who has to 'hand-hold' and talk non-Internet savvy companies through the hype and bullshit of the new generation snake-oil salesmen – the Internet chiphheads who tend to know little, if anything, about the fundamentals of direct response . . . some should step out of the 'virtual' world into the 'real' world of generating profit.

Glenmore Trenear-Harvey

And here's Rupert Goodwins of Ziff-Davis

Your marketing department won't understand how technical projects are managed and implemented, but they'll try to define what they should do . . . Commercial enterprises should be marketing-led, but without an awareness of the implications on corporate resources, this approach can lead to projects from hell. And if the technical departments get the upper hand? Well, let's be honest. Web sites designed by engineers often lack that certain sparkle.

On the matter of marketers v techies, I can only say that when jargons collide, the result is chaos. The parallel with the arrival of the database is instructive. When experts promise the moon, beware huge, needless costs. Years ago, one management consultant helped BT 'invest' tens of millions. They ended up with a database so useless the exercise had to be repeated.

How can marketers and techies work better together? Three simple steps seem to make sense – but how many follow them sufficiently? Too few, judging by the comments just quoted.

**How marketers
and techies
can collaborate
better**

1. If you're a techie, read more about marketing.
2. If you're a marketer, spend a lot of time on the Net and find out what's possible and what isn't.
3. Whichever you are, study competitors' efforts, because this medium and its possibilities are changing constantly.

Again, take what happened when we set up www.draytonbird.com.

It underlines this problem of the technician versus the marketer. The programmers wanted to show off the technology; I wanted to communicate effectively. Their proposed format was hard to read, much of it in either caps or sanserif type with ragged setting on both margins all reversed-out on a light background.

When I protested, I was given all sorts of gobbledegook to convince me there was no other way, which, when translated, meant 'we don't want to change because it's too much work, and we're very busy'. It took a lot of time and effort – and money – to get it right.

The same applied to one of their pet projects, which was to put video extracts from some of my speeches on the site. These never worked properly, making me look like a particularly moronic marionette, and it took a year to get rid of them.

Janet Inglis, whom I worked with to set up our site, had a direct marketing background, but had worked for some time on Internet projects. These credentials seemed ideal for this medium – so much so that I went into business with her. She has provided much of the basis for this chapter, with help from my colleagues Paul Castle and Peter Hardingham.

I asked her to prepare a simple aide-mémoire for you – and here it is, complete with a little appropriate jargon.

A-Z OF BUILDING A WEB SITE

Your **A**udience must like what they see. Design keeping your visitors' browsers in mind, as well as their demographic graphic taste.

Your Web site can become a **B**usiness in its own right. Advertise it, generate publicity and build partnerships with affinity online businesses.

Commitment is vital. The Internet is a fast-changing environment. Most new sites don't stay on the World Wide Web for long because maintenance, publicity and ongoing programming and design costs are sometimes underestimated and often under-quoted.

Design information for your customers' preferences, not yours. Information your customer is lured by should only be a mouse-click away. Think Excite, not Yahoo!

Engage your visitors with content that's irresistible, packed with involving information and benefits.

Fancy graphics can lose you business. First impressions are made in six to ten seconds, so if a graphic takes longer than that to download, ditch it.

Make sure your visitors can **G**et in Touch with you easily and quickly. Make sure that all contact information is not more than a mouse-click away. Provide names for visitors to contact personally.

HTML, Java, Flash, Oracle ... You can teach yourself these; you can scan every image on to your site yourself. But you'll probably build a better site if you find a programmer and designer you can trust who'll make sure everything on your site will actually work, whilst you concentrate on the most vital aspect – content.

Like arresting creative work, each Web page should contain one **I**dea. Decide which idea you want visitors to remember from each screen.

Java can now be easily incorporated into electronic messages. Use it to encourage prospects back to your site by showing them arresting visuals in an e-mail message.

Keepon going. Expect criticism, be brave with new technologies (as long as your customers' browsers/connections support them) and be prepared to change content 'on the fly'.

Less is More. Once you've built your site, cut out what you can until only value and intrigue remain.

Magnetism. You've either got it, or you haven't. What can you build on your site that will keep visitors coming back, time after time, to participate? An industry market-share index? A round-the-clock commodity monitor? A buzzing message board full of favours and contacts?

Network. Our service provider have got a diesel generator in their basement, so our sites will be online even if the power in San Francisco and London fails. You must have confidence in your network service provider, especially if you're building e-commerce applications. Watch the league tables in the Internet business magazines.

Offer fresh content each time visitors return. A dynamic, database-driven Web site that builds content 'on the fly' for individual visitors may be a distant strategy for you, but you can give visitors a reason to return to your site by offering fresh industry news, research in PDF files, interviews/transcripts/articles and limited offers.

Permission marketing is easy – and essential. One of the Internet's best advantages is that it allows marketers to send frequent personalised e-mail messages extremely cheaply. Learn what your customers want. Ask their permission to send them more news about what they rely on you for. And deliver it on your site.

Be **Quick** to improve your content, which dates a couple of months after launch.

You must regularly refresh your site to guarantee **Repeat** visits. Frequency will build familiarity and trust, and your visitors will buy from you when they need your products.

Build a **Search** engine on your site so that visitors can find what they're looking for quickly.

Use a **Theme** to draw your content together, as you would when making a presentation or writing a proposal.

URL – your address online, eg www.rollingstones.com. It's vital. Take time getting it right. Print it on everything offline – letterheads, business cards, invoices, press ads.

Brilliant advice I read online: all graphical content must add **Value** to what you're communicating. Explain your ideas to someone who doesn't flatter you. Discard anything that doesn't add value for your audience.

Watch what your competitors are doing online and who they're attracting. Look at the portals for navigation and flow ideas; at games and Internet technology sites for the latest in design capabilities. Watch what's coming through and choose the technologies likely to provide your customers with the best service. The coming of the Wireless Application Protocol (WAP) mobile phone, or wireless technology, means more of your customers will be accessing your site from their mobile phones.

Constantly re-examine your objectives and your reasons for doing business online. Ask the same group of people for their feedback every few months. Make sure that the group includes the sort of person who looks for the pitfalls.

Pick the browsers you support, software, servers, networking and hosting based on **Y**our needs, not your Internet consultant's.

A Web site could place you at the **Z**enith of your sector, whatever your company's size.

And it's such fun!

I am no longer young. In fact I'm an old fart. But I constantly delude myself by reflecting that two great composers, Monteverdi and Verdi, probably wrote their best operas in their 70s.

Maybe I still have a few years in which to do something good. Maybe even on the Internet. I hope so, because it's enormous fun. You can do things which you could only previously do on television or in the cinema – you have sound and moving visuals working together.

But there are additional dimensions – the dimension of speed, and the dimension of personalisation. Once you've got people involved you can move them to do something very quickly. You can learn about them – and use the knowledge – almost instantly. You can have an idea on Monday, test it on Wednesday and know what happened on Friday.

Best of all, I have found that applying sound direct marketing thinking to the Internet really works. Especially because, apart from creative and production costs, the medium is almost free.

I hope you enjoy and profit from it as much as I have.

THE INTERNET'S PHANTOM ECONOMIES

An Internet store sounds great: there's no rent, no build-out costs, and no inventory, and most of the work is done by computers. But reality is something else. The chart below compares CDnow's estimated monthly expenses with those of a typical three-store retail chain doing approximately the same sales volume.

MONTHLY EXPENSE	CDNOW	RETAIL CHAIN
Rent	\$2,500	\$12,000
Fixtures and improvements	\$0	\$3,500
Utilities	\$900	\$3,000
Wages	\$50,000 ¹	\$32,000
Telephone	\$2,500	\$1,000
Internet connection	\$2,000	\$0
Inventory	\$0	\$0 ²
Credit-card fees	\$10,000	\$4,000 ³

¹CDnow doesn't break down its payroll costs, but a significant portion of its employees' time is spent on non-CD-related software and product development. ²Assumes frequent turnover and good supplier terms. ³More than half of the retail stores' sales are cash.

THE FINANCIALS (in thousands)

	1995	1996*	1997*
Sales: from CDs and other products	\$2,000	\$10,000	\$30,000
from advertising and promotional fees	\$10	\$1,000	\$3,000
from licensing of technology	\$30	\$1,000	\$3,000
Expenses and overheads	\$2,000	\$9,000	\$27,000
Profits	\$40	\$3,000	\$9,000

* Jason Olim says that projections are 'outrageously difficult' for him to make. A tripling of sales for 1997 'feels' about right. Expenses, and therefore profits, he says, are even harder to estimate in what is a wholly new kind of retail business.



9

Your Greatest Asset

*'Father, Mother and Me,
Sister and Auntie say
All the people like us are We
And everyone else is They.'*

Rudyard Kipling

*'The one thing our industry does not lack
is computer people with the personal characteristics
of a Messiah plus a willingness to dress up a
perfectly ordinary mailing list maintenance system
and call it a "marketing database".'*

Ian Goodman
Acxiom UK Ltd

A measure of how quickly direct marketing has changed in the years since this book's first edition is that the word direct marketers probably use more than any other was hardly mentioned in that book. That word is *database*.

In those days, people talked about *lists* – as they had done for many years. Now, the simple (and inexpensive) list has been cast into outer darkness and replaced by the sophisticated (and sometimes very expensive) database. In fact, one of the leading UK experts on this subject once asked me: 'At what point, Drayton, do you think a list becomes a database? What *is* the difference?'

**It is easy to
waste money**

Lists were relatively inexpensive because everyone understood what they were, and thus what they were paying for when they compiled or rented one. 'Database' is a word many do not entirely understand. A very profitable industry has evolved to cater for this ignorance, with predictable results: many people spend prodigious sums, even millions, without gaining a great deal of satisfaction.

But, I have good news for you. If you start by thinking about lists, you will end by understanding databases and what they can do rather well. Indeed, I hope to reassure you: you probably understand a great deal more than you may have thought.

THE VALUE OF A NAME

I refer elsewhere to Jerry della Femina, who once said he thought advertising ‘the most fun you can have with your clothes on’. This displays a worrying ignorance of good music and fine claret, but I know what he meant.

Working in our business is not as worthwhile as being a conservationist or a surgeon, but it is fun, and you get involved in some interesting areas of life. For example, I once spent some time writing copy for a racing tipster service. It all came about through a couple of friends, one of whom gambled professionally, and the other of whom already ran a tipster service.

This activity taught me a number of things, including the fact that one of Britain’s most respected businessmen started out as a tipster. I also learned that the average professional gambler is not too hot at running any kind of service, let alone one which requires you to be at the office first thing in the morning to give people tips.

But the most interesting fact I learned was that the name of one regular purchaser of racing tips was worth £1, making the value of a list of 1,000 such names £1,000. To put this in context, at that time the pound sterling was worth at least three times more than it is now and in those days even a list of extremely wealthy people would have cost you no more than £50 per 1,000 to rent once.

I tell you this to emphasise that with the right people to talk to you can hardly fail. As I have already suggested, the most wonderful mailing on earth will die the death if sent to the wrong names. The worst mailing on earth can succeed if it goes to the right ones. I shudder to think how much money has been thrown away because insufficient thought has been given to the people who are being spoken to. If you don’t know who you’re talking to, you’re unlikely to make the right offer, let alone gauge why they should want to buy whatever it is you’re selling. Your creative work will almost certainly be wide of the mark.

**Talk to the
right people**

This is true even of the most broad appeal possible – like a sweepstake. Almost everybody likes the idea of winning something for nothing. But in some cases people are put off by this sort of approach. One company which operates in almost every civilised country on earth has hardly ever been able to make a sweepstake pay. Their type of customer simply isn’t interested; or to be more exact, does not find that sort of approach from them appropriate – an important distinction, obviously derived from their positioning.

The problem is that, particularly for people accustomed to general advertising, it’s easy to think of a list as a *medium* like a newspaper. Yet in fact, of course, direct mail is the medium; the list is the equivalent of the readership of a newspaper. More importantly, a mailing list, if carefully compiled and

**Get closer to
perfect
marketing**

properly analysed, will reveal a far greater number of variables than you could discover about the readers of a particular publication, or the viewers of a particular TV programme.

List experts sometimes utter a rather dull, but nonetheless very relevant expression to recall us to the most important truth about lists. They say 'Lists are people'. And – you might reasonably reply – so are the readers of a newspaper or the viewers of a TV show. But direct marketing is all about how people can all be approached as individuals – to return to the besetting theme of this book. And the point about individuals, as I indicated earlier, is that if you can learn enough about them and their needs, you can meet those needs better, and get closer to perfect marketing.

THE RELATIVE IMPORTANCE OF THE LIST

The role of the list as compared with the other factors involved in a mailing is well illustrated by the results of some tests we conducted a few years ago for one of our clients.

Mailings were sent out to 12 lists, all of which we thought likely to succeed. We also tested three prices, two ways to pay, different times for mailing, alternative ways of responding and several creative approaches. The best combination of all these factors produced a result 58 times as good as the worst combination. By far the most important factor in these tests was the choice of list – as you can see from the following abbreviated figures.

**Lists: the
most
important
factor**

Typical mailing test results

Factor	Difference between best and worst
List	× 6.0
Offer	× 3.0
Timing	× 2.0
Creative	× 1.35
Response	× 1.2

Let me emphasise that we did not have any clear idea in advance which of the 12 lists would work best. As a matter of fact, the winner was something of a surprise to me.

This book is not the place (nor am I the person, for I have little sympathy with the subject) to go into the fine and dreary detail of list buying, holding and maintenance, though I hope to give you some helpful advice. But you will have gathered simply from looking at the mailing test results above that the role of the list is critical in this business. Let me now transfer your attention for the moment from the list to the database.

Nowadays, people generally hold their lists on computer. It's easier. And the computer is getting infinitely less expensive to buy and run. In 1985,

Direct Marketing magazine stated that ‘Since 1960 the cost of computer main-frame storage has plummeted roughly 20,000 times – whilst speed of operation has increased by a factor of about one million. There is now a 50 per cent gain in efficiency per annum.’ This has continued at the same pace.

This enables you to build (increasingly cheaply) a more detailed kind of list: a database.

There is a lot of talk about databases, not all necessarily well-informed. Indeed some time ago, one expert, out of curiosity, asked a group of his colleagues to *define* ‘database marketing’. They all gave different answers.

This gives you some insight into the confusion surrounding this word. Yet, in my view, a database is only a list of customers or prospects incorporating relevant information about those people. This information enables you to target your messages in a way which is much more interesting to your recipient – and therefore likely to be far more profitable to you.

One publication remarked a few years ago that the importance of the database is such that it believes the *primary duty* of a direct marketing agency is to build its client’s database. I think this a sweeping and inaccurate assertion. After all, the agency must also be able to help the client exploit that database in an imaginative and profitable way. And if an agency cannot help the client acquire customers and keep them profitably, there will be no money for database building. The business will go broke.

A database is a tool, nothing more. It is your skill at building the database, analysing the information it holds and using your knowledge to construct more effective communications that will determine your success.

Be that as it may, once you understand the principles of list evaluation, you are a fair way to understanding all about databases. In fact, the idea of building a database – of acquiring information about your customers or prospects which you can note down in conjunction with their names and addresses – is not new at all. I am indebted to my friend Roger Millington, a keen historical sleuth, for an example of database-building which dates back quite a while.

It is the case of a company with a medical product asking respondents to give details of their injuries or illnesses as a result of their war experiences. Obviously, this would enable them to target those people better: to offer them the right products.

It was not particularly difficult for the company in question because they made Dr Williams’ Pink Pills for Pale People, which had the uncanny facility of being able to cure everything from the common cold to cancer. Probably they merely adapted the communications they sent out – based upon the information their respondents supplied – without adapting the product.

What is most interesting about this example is, of course, that it dates back over 100 years, to the period of the American Civil War. Not only is there nothing new under the sun, there is not very much new in a database: simply greater technological proficiency as a result of the computer.

Let us now return to the fundamentals of the mailing list.

Build a database

Nothing new in the database

**Veterans, Please Fill Out and Return This
List of Questions.**


Were you WOUNDED during the War? _____

If so, HOW and WHERE? _____

NOTE.—It is not alone those who were wounded who deserve our sympathy: it is that great majority WHO WERE NOT, but who contracted the seeds of disease in Southern swamps and prisons, and who have as a consequence lost their health before their time—THESE are as deserving of sympathy as their wounded comrades, and should have equal reward.

Do you attribute your present ill-health to your war experiences? _____

How has it affected you, and what is the nature of your disease?



If we can advise you in any way regarding your condition we will be pleased to do so, free of charge, on receipt of this Blank properly filled out.

Very truly yours,

DR. WILLIAMS MEDICINE CO.,
SCHENECTADY, N. Y.

Figure 9.1 Dr Williams' Pink Pills. This example of database-building goes back to 1868: there's nothing new under the sun

Three simple facts to start with

All understanding of mailing lists starts from three simple facts.

**Which lists
work the
best?**

- 1 Lists may be conveniently divided into two kinds: your own, and other people's.
- 2 Your own list should always give you better results than anyone else's.
- 3 The best lists to rent or buy are those which are most similar to your own.

I think this is fairly simple. But in case you have any doubt, let me explain that by 'your own' list I mean any list of people who have transacted business with you or had a contact with you, and thus know you.

In business, people prefer to deal with people they know. This is particularly so in the mail order business where customers have to have confidence in the vendor. To send you money for a product they don't have in their hands they have to believe you are reputable. If they've done business with you before, they are going to be that much more confident.

But you will be interested to know that the same thinking applies whether you're talking about mail order or any other form of marketing. For instance, one of my clients uses salesmen. They have discovered that it is four times easier to sell to existing customers than it is to sell to similar prospects who have not done business with them before.

So the important thing to remember is: if people have done business with you or had contact with you previously, their names and addresses are valuable.

In the mail order business, it is reckoned that a mailing to your own list will be about three times as effective as if it were sent to someone else's list on which the names had similar characteristics.

You will, I am sure, have nodded in agreement at all this. It makes sense, doesn't it? The customers you wish to get are likely to be very similar in nature to those you already have.

The customers you want are like the ones you have

Predicting success

Gordon Grossman, a former marketing director of *Reader's Digest* in the US, is one of the most intelligent commentators on the subject of lists. In December 1982, an article of his, 'Foreshadowing response: the muscle in your merge', demonstrated in the most startling way how important it is to remember the fact that new customers' responses can be predicted from old.

Grossman noted that if you compare the lists that are working for you currently with ones you are thinking of testing, you can predict with a high degree of certainty which lists are likely to work.

When people rent lists, they have to complete a computer run to eliminate duplication – known in the trade as 'merge and purge'. Having removed this wasteful duplication the average mailer carries on. Not Grossman, because he takes a look to see how *similar* the lists are. He points out that in his experience: (1) if the duplication factor between the two lists is 25 per cent, your mailing has about an 86 per cent chance of succeeding; (2) if it is under 10 per cent, the likelihood of success is about 3 per cent.

Not long ago, a direct marketer attending a seminar I was conducting told me that her company had discovered the same figures applied to within 2 per cent.

Your ability to place on a database relevant information about the people you are interested in, to analyse what you have learned and then exploit it, determines your success in direct marketing. Here's a simple example which shows how *little* the thinking has developed since Dr Williams' Pink Pills were saving lives (or not, as the case may be) 100-odd years ago.

Predict which lists will work

The benefits of a questionnaire

In the chapter on positioning I mentioned North West Securities and a mailing they send out to prospects which asks them to reply to a simple questionnaire. The questionnaire answers reveal what assets the prospect is planning to acquire over the next 12 months, how much they estimate they will cost, what makes and models they are considering, when they intend to put their plans into effect, and what is the best time to talk to them on the phone.

This is all enormously valuable ammunition for the company. It also makes a lot of sense for the prospect. He knows that he is only going to be approached by the company *at the right time* to talk about something *he is already interested in* in a way which is *relevant*. In this way the company can offer a better service than it could without that information.

The importance of analysis

Every appropriate piece of information which is relevant can help you in building up a picture of your best prospects or customers and enable you to do a better job for those people. And the principle applies whether you are talking about business-to-business or consumer marketing. The information you use to enrich your database can come from many sources, internal or external. And you can acquire it in many ways.

Information to enrich your database

One way is to look at who has responded to your previous communications, and discern the characteristics they share with other respondents. The converse is equally true: you can see who does *not* respond. In this way, you can target your communications to those most likely to respond and eliminate those least likely.

Transform failure into success

This means that you can take a list of people which as a whole would not be profitable for you to mail and, by eliminating the least responsive names, cut down the size of that list and make it profitable to mail the remaining names. In effect, you transform failure into success. Alternatively, you can make a list which is *already* profitable *more* profitable.

You can use generally available information to enrich your knowledge of the people on your database. For instance, in the public domain there is often information about particular residential areas: what sort of people live in them, what sort of accommodation they inhabit. This is usually available through Post Office or census statistics.

You can also acquire information from your order forms; often simple but valuable data, such as whether people have telephones or not, how old they are, how many children they have and of what sex and age. By comparing this information with the responses you have received from other customers you can predict likely responses from those people. Every shred of information helps build up a picture of the people you are talking to and their probable behaviour.

For those of you who like to blind your colleagues with science, the phrase 'regression analysis' can be used to fine effect when discussing this subject.

For those of you who like to impress your colleagues with good profit and loss statements, I should state that generally this technique – though attended with a degree of cost – tends to generate more profit than it costs: indeed, you can *double* your profitability.

Of course, unless you have your list properly organised, with every possible factor about your buyers incorporated into the database, such analysis is very difficult.

For instance, we once learned for a particular service that our best prospect was likely to have a foreign-sounding surname or, if English, was likely to have more initials than average, was likely to be a professional person inhabiting a house rather than a flat, and a house with a name rather than a house with a number. Information like this can, as I said, enable you to transform unprofitable mailing lists into profitable ones simply by eliminating the names less likely to respond.

For a large business, developing your own prospecting database can save millions. One of my clients, American Express, used to be amongst the largest renters of mailing lists in Britain. They employed a considerable staff to do the job, and spent enormous sums both renting and deduplicating the lists. In the end they decided to build their own database from the electoral register, and used the information they already possessed about their best prospects and customers to target the best names on that file. It took time and money, but the final result enabled them to mail that database for no more than their rental method used to cost them – but with no rental charges.

Most businesses of any size can apply the same sort of thinking. If you are not a large, sophisticated company with its own database, the good old-fashioned mailing list will be critical to you.

What is your best prospect?

Develop your own database

TWELVE CRITERIA FOR EVALUATING LISTS

Here are 12 points to consider when assessing a list's value, in *rough* order of priority – based on what the traditional direct marketers have learned.

1 Are they your customers, or someone else's?

If they are someone else's, one way you can get a better response is by persuading the list owner to write an endorsement of your product to go out with your mailing.

2 How much money did they spend per transaction?

Obviously, the £1,000 buyer is likely to prove a more lucrative prospect than the £10 buyer. Equally, when you come to communicate with him or her you will use a very different tone of voice.

3 Have they bought recently?

Recent buyers will always do better than others. In the US they are sold as 'hot-line' buyers. Often, when other names will not work on a list, people who have bought recently will work. In one company I was involved in at one point, whereas we were failing to convert customers by mailing them after six weeks, we were wildly successful by mailing them immediately after a purchase.

4 Have they bought frequently?

In the same way that recency is important, so is frequency.

5 How up-to-date is the list?

People sometimes move home. They move jobs more frequently. Unless the list has been mailed recently and the 'gone-aways' have been cleaned out, it could be full of out-of-date names. Business-to-business lists can be particularly poor. I recall a list which we discovered was 50 per cent inaccurate although it came from a very reputable source.

6 Are they mail order buyers or not?

Some people like to buy through the mail. Some don't. So a list of retail buyers or competition entrants will not be nearly as good as mail order buyers – though a list of your own competition entrants will almost certainly do better than a list of somebody else's buyers.

7 Were the sales for cash or for credit? What sort of credit?

A cash buyer would be better than a hire purchase buyer. But a credit card buyer should be better than a cash buyer. And a charge card buyer should be better than a credit card buyer. They generally have a higher socio-economic rating.

8 Are they buyers, or just enquirers?

Normally buyers will be better for you than enquirers. Sometimes, though, when renting outside lists, you may find enquirers work better.

9 Is it a list of people who have established a business relationship with someone?

Or is it a compiled list, taken from printed records of some kind, like the telephone directory? Compiled lists are not nearly as good. Moreover, if they have

dealt with someone, that enables you to approach them by referring to that relationship. This establishes a reason for writing – very valuable.

10 If it is someone else's list, how similar to your own are the people on it?

By age. By socio-economic background or, if this is business-to-business, by type of company. This is, of course, quite apart from whether they have bought the same kind of product. The best list for you is a list of people who have bought an identical product to yours. (You may find this hard to understand, but, as Shakespeare said, 'The appetite grows by what it feeds upon'.)

11 How often is the list mailed?

You may be surprised to learn that the best lists are those which are mailed often. The people have got into the habit of responding to offers. If a list has only been mailed once in the last six months, the people on it seem to languish.

12 Is the name as well as the title of the person on the list, if it's a business list?

Some lists may only have the company name on them. Make sure you're getting the detail you think necessary. In my experience, rather than settle for what are likely to be inaccurate personal names, you are better off going for the title.

If you take all these criteria and apply them intelligently, you should find assessing the likely responsiveness of a list much easier. Indeed, by looking at a list or database and thinking about it attentively, you will frequently come up with the offers and even the products you should be marketing. After all, what you sell, the offers you make, and how you make those offers all start with studying the customer or prospect.

Take two examples from the same field. People who paid £145 cash through the post for an exercise bicycle might read your new £12 a year publication on fitness. On the other hand, subscribers to your publication on fitness are not proven mail order buyers who spent good money recently: they might not be at all prepared to pay £145 for an exercise bicycle – let alone through the post. You would approach your test with fewer expectations.

But let me repeat: your entire business should revolve around considering the individuals on your database or the people you wish to recruit as new customers and thus enrich your existing database. Considering those individuals will not merely help you formulate the right offers and the right products to offer; it will enable you to *communicate* your message more effectively. As a copywriter, I always find information about the people I am about to write to and how they have behaved in the past – and indeed *anything* I can find out about them – is immensely valuable in helping me do a better job.

**Apply
criteria
intelligently**

**Your business
revolves
around your
knowledge of
individuals**

Even scrutinising the names and addresses on a list can sometimes tell you a lot. People with upper class names and smart addresses are different, clearly, to those with working class names living in cheap neighbourhoods. It is *particularly* worth your while to read customer correspondence, as I suggested earlier.

Know how people behave

Perhaps a little story will illustrate how it can pay to think carefully about the people on a list.

**People
behave as
they are
accustomed**

Some years ago some enterprising folk opened offices in Manchester and printed a lavish catalogue full of attractive consumer durable goods. They mailed the catalogue to a large list of people who had bad debt records. All the goods offered were available on low deposit.

Because they had thought about the nature of the list, the mailing was extremely successful, pulling some £60,000 in deposits, so my informant told me. A few weeks after the mailing had gone out, the entrepreneurs vanished with the money.

This is quite the most successful approach to the problem of bad debt I have heard of. It also illustrates one of Francis Bacon's maxims: men behave as they are accustomed.

You should never forget this when making fresh offers to customers you have recruited, for generally speaking they will respond well to the kind of appeal that attracted them in the first place. Thus, to take a simple example, people who were recruited via a sweepstake offer will respond to that sort of offer later, and so on.

YOUR DATABASE AND HOW TO BUILD IT

A list can belong to anybody; but your database only belongs to you, designed to meet your particular needs. It is simply a list of names and addresses to which are appended all the things you think might be relevant; the information you can discover that will help you deal better with these people: talk to them about the right things at the right time.

One point to remember: don't waste time and money acquiring information about people and placing it on your database – which costs money – when that information is, however interesting, of no real value. This is a mistake often made.

**Ways to
acquire
names**

There are only two ways in which you get people on to your database. You may know enough about them to identify them as prospects for what you're offering. You therefore place them on your database and start communicating with them until you find it is no longer worthwhile, because they are clearly not going to respond. Or they identify themselves by replying to communications of one kind or another – advertisements,

commercials, take-ones, or syndicated questionnaires (more about this in a moment).

At conferences, people often say to me: ‘We don’t have a database; how do you build one?’ Being a bit of a smart Alec, I always reply: ‘Surely you must have a list of customers? Even if it’s only to send out bills? Surely you must have a list of your staff? This is your database. All you have to do now is enrich it by adding information about these people on to it.’

Although this is a bit of a simplification, it is true. Most people actually have important lists under their noses which will form the basis for their database and either fail to see their value or don’t realise the names are there just for the compiling.

Some years ago, somebody in the very competitive business of photographic developing came to see us. He spent most of the meeting telling us what a hot shot company he had. At the end, we asked him what he did with his database. ‘What database?’ he asked. ‘The list of all the hundreds and thousands of people who send in for free films,’ we replied.

‘Oh, those. We take their coupons and use them to send the film back – it saves money,’ he replied. ‘Making a list would be far too expensive.’

Anyone who thinks that a list of satisfied customers is not worth the expense of compiling is being very shortsighted indeed. And when you are in a highly competitive – even cut-throat – business like the one this gentleman was in, you should be particularly anxious to communicate regularly with the customers to retain them.

So the first place to look for lists which can build you a database is in your own backyard. Some of the sources are so obvious it’s easy to overlook them.

Always take customers’ names

Trapping customer names

Gordon Grossman, whom I have just quoted, once wrote an article with the pleasing title: ‘If your customers won’t make you rich, then who will?’

It’s vitally important that you trap the name of every customer you have, or have had in the past. They will come in from your direct advertising and mailing, obviously. But what if you’re just starting out on direct communications? Then you must look elsewhere.

- Get everyone who deals with customers to record their names and addresses. Your telephonists. Your receptionists in the showroom. Your complaints department. Your service people. Your sales people. Your marketing people.
- If you have retail outlets or agents or a chain of dealers, get them all to do the same.
- Do you offer a guarantee? Get those names and addresses on file.
- What about your past records? Invoices you have sent out, old customers (a lapsed customer is one of your very *best* prospects), past enquiries.

Ways to acquire more names

- Do you attend exhibitions or shows? Collect names there.
- How about competitions? Build in a reply device to capture the names of entrants. They should be useful, too.

I have included a little chart overleaf which shows you how names come on to a database. I can understand it, unlike most business charts, so I hope you will.

What should go on a database?

Obviously, building a database requires careful planning. Sometimes costly errors can be made. For instance, a few years ago the Automobile Association discovered that when originally planning its database it had neglected to include information about the makes of cars members had, and how long they had had them.

Information must be relevant

Your database is only as good as the information you hold on it. The more information, the better the database; but the information must be relevant.

You need to know more about what kind of people they are; what area they live in; how many people live in the household; how old those people are; what sort of a house they live in. Depending on what it is you sell, you may want to acquire other information.

For instance, one of my favourite advertisements over the last few years was a series of pages for Fancy Feast cat food, with the engaging headline: 'The richest cats in the world and how they live'. The reply section asked for such useful information as: 'How many cats do you have, how old are they, what are their names, what cat food do you buy, and how much?' Information like this is obviously of critical importance to that company.

Indeed, *everything* relevant you can learn is likely to make your endeavours more successful. Suppose you wish to sell home improvements. You will obviously be better off appealing to certain types of people living in a certain type of property. If you wish to sell children's toys, you want to find households with children of the right age, and so on.

Build a dialogue

Equally, as you have already learned, if these people have either bought from you or received communications from you in the past, that must go into the database. *If* they have bought, *when* they bought, *how recently* they bought, *how much* they paid and *how* they paid – all valuable ammunition to help you build a dialogue and create a relationship with your prospects.

The same thing applies when you are dealing with business-to-business. Let's examine the type of information you might want to hold. It will probably fall into the following categories:

Valuable information

- purchase history;
value/date of last sale/frequency of purchase/product range;
- company profile;
business type/size/credit rating history;

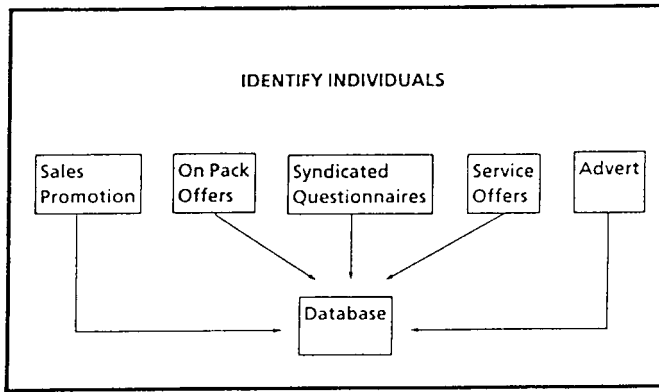


Figure 9.2 Identify individuals

- marketing data;
source of name/promotion history;
(i.e. mailings/telephone calls/sales visits)
expressed interest in other products or services.
- You need to know who the influencers, specifiers and purchasers within a company are, so you can address each individually, addressing his or her motivations. That's because the majority of purchase decisions are made by more than one individual.

If you know what interest a customer might have in other products or services you offer, it enables you to cross-sell. This is obviously desirable, but few people do it as well as they might, simply because they lack this information. But what happens when you do have it? Some time ago, the Trustee Savings Bank announced unusually good results. The reason given by informed observers in the City was that they had developed unusual skills at cross-selling. 'Around the world the bank has been held up as an example of what you can do when you know your customer base', said one leading analyst.

If your business relies upon personal selling, a rich database enables you to manage your sales force leads in a sophisticated manner, thus helping you monitor and control all your sales activities far more efficiently. Because you are constantly acquiring more knowledge about people as individuals, you can manage your database to identify your key prospects.

As we have already learned, those prospects will be the ones whose characteristics most nearly match those of your existing customers. Thus, retailers can examine regional distribution and identify the best areas for potential new outlets by analysing what they know about their existing customers.

We suggested to one of our clients, for instance, that by analysing the geographical distribution of their best customers and prospects, they could

**The potential
of cross-
selling**

**Identify key
prospects**

convince retailers that a market existed in their area. In this way they were able to persuade them to join a preferred supplier scheme.

Markets where there are ‘no databases’

Some of my colleagues in less developed markets say to me: ‘There are no proper databases in my market. In fact there are hardly any decent lists. Nobody knows how to put databases on computer.’

Is this an insurmountable problem? Of course not. As I have already pointed out, people were using forms of database over a hundred years ago. Marketers like *Reader’s Digest* were using the database principle before the introduction of the computer. The computer is just technology which enables you to create a database more easily. Moreover, if your clients don’t have databases, then start creating them. If you’re a client, start creating your own.

The computer is not such an awesome mystery after all. You might be encouraged, when contemplating possible mistakes, to realise that the big companies are *constantly* screwing it up gloriously. It may be that you have little to lose and much to gain by attacking the problem yourself.

But you will need specialist help. That is precisely what I sought when writing this chapter. I went to a leading expert on the subject, Ian Goodman. Ian gave the following examples of computer problems during deduplication.

Where things go wrong

Simple overkill

Mrs J Smith

Janet Smith

The computer compares these two names at the same address and decides they are duplicates. In fact they refer to mother and daughter. What if Mrs Smith is a bad credit risk, but her daughter isn’t?

Invalid marketing information

The computer discards Janet Smith after crediting her history of purchases to Mrs Smith, who now appears to be a splendid customer.

False name creation

The computer creates a non-existent person by amalgamating the names into Mrs Janet Smith.

Sequence-dependent overkill

A Mr John Smith, Motoring Ltd

B Motoring Ltd

C Mr John Brown, Motoring Ltd

The computer compares A with B and decides that A=B. It marks B for suppression. The computer then compares B with C and decides to mark C for suppression. Thus only A will be mailed.

Same name, different companies

Mr Smith, Motoring Ltd

Mr J Smith, Cars Ltd

Suppose both records refer to the same address. Either they refer to the same person who works for a group of associated companies, or they refer to two different people whose companies share the same business premises. How does your computer cope?

What to look out for

Synonymous titles

Mr John Smith, Managing Director, Health Care Ltd

Mr David Jones, MD, Health Care Ltd

Perhaps the company has joint managing directors. Perhaps one of these records is quite old, referring to a person who has retired. What does your computer make of this?

False title creation

Mr David Jones, MD, Health Care Ltd

Does your computer 'improve' MD to managing director? Or does it realise that Mr Jones may be a doctor?

Sequence straitjacket

Computers rarely demonstrate any flexibility about the way they sort names and addresses into geographic sequence prior to deduplication. The tiniest spelling variation in two otherwise identical names and addresses can play havoc with a computer sort, forcing the records so far apart that the computer cannot spot the duplicates.

Suppose the computer is sorting by street name. Consider Alder Road and Older Road. Imagine the number of other street names which may be sequenced alphabetically in between!

Tie-breakers and heart-breakers

Suppose the computer resolves its sorting problems and notices the two addresses for Alder Road and Older Road. How far will the computer go to test if one of these names has been incorrectly spelt? Consider the possibilities.

- Alder Road exists, but Older Road does not;
- Older Road exists, but Alder Road does not;
- Both Alder Road and Older Road exist;
- Neither Alder Road nor Older Road exist;
- It is possible to match either street name with another street in the locality, after allowing for a different kind of spelling error. For example, Alder Street.

The computer might resolve these conundrums by referring to a gazetteer of all known streets in the given locality, using any given postcode as a tie-breaker. But it does not take too much imagination to see that the rules required to break the tie are extremely complex, being variably dependent upon both the given names and addresses and the particular mix of real street names recorded in the gazetteer in the given locality.

How far does your computer go in resolving these problems? What protections exist against incorrect address correction?

Do you know what you are doing?

Ian ends with a sobering thought you might like to consider when developing your database. If 99 per cent of direct mail managers do not know the answers to the above questions, and 99 per cent of computer people are equally uncertain, then only 0.001 per cent of all computer deduplication work involves people who know what they are doing – all the more important to make sure you get the right people working for you. If this sounds somewhat cynical, then consider this: one very large organisation in Britain managed, I am told, to spend over £50 million without creating a workable database.

WHERE TO FIND THE BEST NEW CUSTOMERS

Get your customers' help

Just as your own customers are the best people to make you money, they are the best source of new customers. Always spend time and thought on ways of encouraging them to give you the names of possible new recruits. This activity – known variously as ‘Member-get-Member’ or MGM, and ‘Friend-get-a-Friend’ – tends to be the most cost-effective of all ways of getting new customers.

It will normally pay you to offer incentives in exchange for the names of customers’ friends. (The incentives only being received when the new name actually makes a purchase.) Usually it pays to offer the new recruits a gift, too. That way they do not feel exploited.

This activity of stimulating your own people to give you names is surprisingly neglected. I think it is so obvious that people tend to dismiss it as something they will get round to when they’ve solved their big problems, such as the design of the new corporate logo. Apart from collecting and exploiting testimonials, it may be the most neglected marketing ploy I can think of. Yet I can imagine few circumstances, save perhaps recommendations to a clinic for unsociable diseases, where it would not work, and I know of no easier way of increasing your profits.

Mail Order Mansion

It's only 6 million dollars and comes complete with swimming pool, tennis court and a breathtaking view.

By Joseph Sugarman

Have I got a deal. And even if you don't buy this home you'll love the story.

It all started with an invitation. I was invited by one of the top real estate developers in the country to attend a party at his home in Malibu, California. I didn't know why. All the developer would say is, "Just come."

The jet was waiting for me at O'Hare airport in Chicago and his chauffeur driven limousine met me at Los Angeles for the drive to Malibu. It was class all the way.

When I drove up to the home there was a party going on. Rolls Royces were lined up everywhere and the noise and music from the house made it clear that something special was going on.

VERY FAMOUS GUESTS

After I entered and was introduced to the host and his wife, they took me around and introduced me to some of their guests. "This is Joe Sugarman, that famous mail order copy writer who writes all those interesting mail order ads."

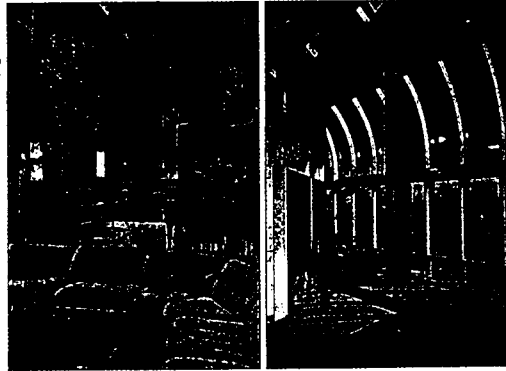
I met a famous movie star, a nationally famous sports broadcaster, a soap opera TV star, a few famous baseball players, the most famous quarterback in football, another famous movie star and two famous California politicians. I recognized everybody and a few even knew who I was. In fact, some of them were my customers. But why was I there? I still didn't know.

I had a chance to look around the house. Now, I've seen beautiful homes in my life but this one had to be the most impressive I've ever seen. First, it was on top of a 90 foot bluff overlooking a sandy beach and the Pacific Ocean. Secondly, it was night and I could see the entire shore line of Los Angeles. It was like I was on a cruise ship at sea and I could look over the Pacific and back at the city.

Then I recognized the cliff. Was this the site of the most publicized wedding in show business where seven helicopters hovered above taking pictures? I found out later that it was.

The home took complete advantage of the view. Practically every room faced the ocean. And the sliding glass doors

It looked like
a set up to me.



completely opened so you had an unobstructed view of the Ocean—no partitions, no supporting beams.

The sound that filled the house with music first appeared to be live. But later I found that the home had the best acoustics ever designed into a personal residence with a sound system that rivaled a recording studio. And what a personal residence.

There was a sunken tennis court, a swimming pool, whirlpool bath and solid state electronic lighting system that was controlled from any place in the house. The ceilings were 25 feet high and the interior decor was so tastefully done that I could easily understand why it won all sorts of awards. But why was I here? Why were all my expenses paid for? Then I found out.

The developer and his wife set me up in one of the five bedrooms and after the guests had left invited me into the living room. "Joe, the reason we've invited you here is that we want you to write an advertisement to sell our house. You're one of the nation's top copywriters, and since this house is an award-winning world-class residence, we wanted a world-class copywriter to do it justice."

Now I'll admit, I was flattered. "But I'm a mail order copywriter. How could I possibly sell a house this expensive?"

VERY SPECIAL

"Easy," replied the developer. "By its value. This property is very special. It's on a peninsula that sticks out of the curved part that faces Los Angeles. When you look from the cliff you see Los Angeles as if it was rising out of the ocean. And because we are on a point, we do not get the harsh winds off the ocean but rather gentle breezes all year long. The property itself is so valuable that our next door neighbor paid close to 9 million dollars for his one bedroom house."

I was starting to feel uneasy. "I'm sorry, but there's no way I can sell your home. I refuse to write anything except under my own company name. And I'm not in the real estate business." But the developer persisted.

"Joe, you really can be. This house is

an investment. There's a lot of foreign money out there. And all it takes is that special person looking for a celebrity-status world-class home on one of the best sites in America and presto, it's sold!"

FINAL REFUSAL

I refused and it was my final refusal. "I'm sorry. I cannot sell anything without a 30 day return privilege. My customers all have the opportunity to return anything we sell them for a prompt and courteous refund. And then there's the credit card issue. We make it easy for them to purchase with either MasterCard, Visa or American Express."

Well, the rest is history. I am indeed offering the house for sale. Please call me at (312) 564-7000 and arrange for a personal showing. Then I urge you to buy it. We accept Visa, MasterCard, American Express, American dollars, Japanese Yen or any negotiable hard currency.

After you buy the home, live in it for 30 days. Enjoy the spectacular view, walk on the beautiful beaches, experience the spacious living. If, after 30 days, you aren't completely satisfied, return the home to the original owner for a prompt and courteous refund.

The developer and his wife are thrilled that I am selling their home. They realize that the mail order business is a lot different than the real estate business and are willing to compromise. But don't you compromise. If you truly are one of those rare people in search of a spectacular home on the best location in America, call me personally at no obligation, today.

PS: If you don't have time for the showing, please order a video tape of the home. (Please refer to product number 7077YE). Send \$20 plus \$3 postage and handling to the address below or credit card buyers call our toll-free number below.

Malibu Mansion \$6,000,000

JS&A

One JS&A Plaza, Northbrook, Illinois 60062
CALL TOLL FREE 800 228-5000

IL residents add 7% sales tax. ©JS&A Group, Inc., 1987

A thoroughly modern mail-order man.

Joe Sugarman started out in the way pioneer mail order entrepreneurs did: on his kitchen table. He writes all his own ads. This is a typical example, but I must admit the product seems a little expensive. Note the long copy. Joe believes as long as you make sure people want to read *the next sentence*, that's all you have to worry about. Sounds much easier than it is. Note also, no coupon. His readers all have phones and credit cards.

For reluctant slimmers who want to eat well too

THIS FREE-GIFT INTRODUCTION TO KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB

Meal planning
Accept this fantastic free gift from Kathie Webber. It's a meal planning guide that shows you the subtle level of balance your diet needs to keep you healthy and happy. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

Fun to collect!
FREE! But you'll find out all your own. Kathie has wanted the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" for a long time. Now it's here. Just put the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" in your first pack of 25 Recipe Cards. You'll get a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

Weight-worshipping
Kathie has wanted the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" for a long time. Now it's here. Just put the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" in your first pack of 25 Recipe Cards. You'll get a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

FREE! ALSO
You get Kathie's "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" for a long time. Now it's here. Just put the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" in your first pack of 25 Recipe Cards. You'll get a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

BEAUTIFUL GIFTS
You get Kathie's "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" for a long time. Now it's here. Just put the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" in your first pack of 25 Recipe Cards. You'll get a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

Accept my subscription here after worth \$2.50, and learn how as you keep your family fit.

"My Cookery Cards mean you control your weight without giving up luscious foods you love to eat."

Says Kathie Webber.

There are thousands of diet books on the shelves. But only one that gives you the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" for a long time. Now it's here. Just put the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" in your first pack of 25 Recipe Cards. You'll get a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

FREE! FREE! FREE!
You get Kathie's "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" for a long time. Now it's here. Just put the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" in your first pack of 25 Recipe Cards. You'll get a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

FREE! FREE! FREE!
You get Kathie's "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" for a long time. Now it's here. Just put the "KATHIE WEBBER'S ALL STAR COOKERY CARD CLUB" in your first pack of 25 Recipe Cards. You'll get a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off. It's a free gift from Kathie Webber, who has helped thousands of women lose weight and keep it off.

This traditional mail order advertiser recruits individuals by making free offers like this with the aim of building a continuing relationship by selling first one series of self improvement cards, then other products.

They also test a lot to maximise profits. The ad on the left did well because the product is a good idea. But it featured the product itself rather than its benefits.

The ad on the right was three times as successful. It featured the benefits of the product and also exploited the endorser better. Her signature adds credibility.

[illegible]

This box containing a stopwatch was sent out to companies in Belgium which had obsolescent Xerox machines. They were telephoned in advance to tell them a pleasant surprise was on its way – though the nature of the surprise was not revealed. When this mailing was first sent out, over 50 per cent of recipients bought new machines.

The offer was good: a big trade in allowance on your old machine if you bought a new one. The stopwatch drew attention in a relevant way – you had to order your machine before 1 o'clock and start the stopwatch. The company guaranteed to deliver the machine before 6 o'clock that evening, and pay 1000 francs for every five minutes they were late.



Without the free Guide to Network Servers, you could be a couple of gigabytes short of a 128-bit interleaved memory bus.

Is it a computer? And are computers making it hard to keep up with all the new products? You need a guide to help you choose the right computer for your needs. That's where our free guide can help. It's a free guide to the PC market, the one to help you choose the right computer for your needs. It's a free guide to the PC market, the one to help you choose the right computer for your needs. It's a free guide to the PC market, the one to help you choose the right computer for your needs.

When you've got to get it right - get the Guide.

There's nothing more you can do than get the Guide. It's a free guide to the PC market, the one to help you choose the right computer for your needs. It's a free guide to the PC market, the one to help you choose the right computer for your needs. It's a free guide to the PC market, the one to help you choose the right computer for your needs.

COMPAG

COMPAG is a leader in the computer industry. We have a long history of providing the best products and services to our customers. We are committed to providing the best products and services to our customers. We are committed to providing the best products and services to our customers.



The Compaq Guide to PC Networks. It's the difference between an educated guess and an executive decision.

The probably have that PC networking is the way ahead for your company. But you might not know. Success is hard to start. That's where our free guide can help. It's a free guide to the PC market, the one to help you choose the right computer for your needs. It's a free guide to the PC market, the one to help you choose the right computer for your needs. It's a free guide to the PC market, the one to help you choose the right computer for your needs.

COMPAG

COMPAG is a leader in the computer industry. We have a long history of providing the best products and services to our customers. We are committed to providing the best products and services to our customers. We are committed to providing the best products and services to our customers.

Which of these two advertisements would you have expected to do better? The answer is: the one on the right. The other one is merely competent. The winner uses jargon which computer people would find amusing – one of the rare occasions when jargon is appropriate, because you are talking to a technical audience. Another important element is the person staring out of the page at you: this always boosts readership.

The Gold Card

[illegible]

HOW DO YOU SEE YOURSELF?



No

13. How is the situation in the past better?

☐ () I'm satisfied with what The Personnel I and others.

☐ () I may support people's mind.

☐ () The Good Good cannot let us have expectations.

☐ () I mainly do not want The Good Good, please stop it being of this.



NOT REALLY.

☐ The United Card hasn't appeared to me in the past or I do not want
 to see version of offers composed by The Personal Card.

☐ I would be interested to read more about The United Card services.

Please tick the submission box:

☐ Further comments. ☐ No comment



PERHAPS.

☐ I would like to become a Gold Cardmember, but I am not sure I qualify for The Gold Card.

☐ I would like to consider applying for The Gold Card at the moment, but not at the moment. Please come to the agent.

☐ No way possible ☐ No sure possible ☐ No of possible.



YES

☐ I would now like to apply for The Good Card. I have summed up current Good membership numbers, the date of birth and current address for each member and have sent them to you.

Please ensure my application is processed quickly, so I can get The Good Card and get on with my work.

This American Express mailing worked spectacularly well when sent out to a group of people who had previously refused to respond to invitations to apply for the Gold Card. It simply asked them why, and gave them the opportunity to refuse further mailings, or indicate to what degree the Gold Card interested them.



DE NEDERLANDSE KAT KRIJGT DE FELIXSMAAK TE PAKKEN.

Een Felix kat is nu eenmaal onderwensend. Zouze zelfs dat je mat en hoe een dansje doet maken voor teken.

En hoe langer hoe meer katten in Nederland krijgen de smaak van Felix te pakken, sorry de vijf smaken. Overal in Nederland hoor je het gemiddeld van het Felix pak.



Tja, dat wil natuurlijk ook wel eens katten trekken die te thuis niet krijgen. Maar ach, u weet toch ook wel eens iets mee?

MAAR DAT DANSJE, DAAR HEBBEN SOMMIGE NOG MOEITE MEE.

Daarom heeft Felix de originele passen voor uw kat begripelijk uitgezet op een fraai katten place-mat, met plaats voor zijn bakjes. Kattie telkens voor teken even oefenen en naar hartelust met zijn eten snoeien.

Maar wel een goede raad: gaat u er nou niet bij kijken als se oefent. Een Felix kat durft veel aan, maar hij heeft ook zijn troos.

GRATIS FELIX PLACE-MAT

Als u voor 25 oktober 1991 reageert!
(volg de voorraad aan)

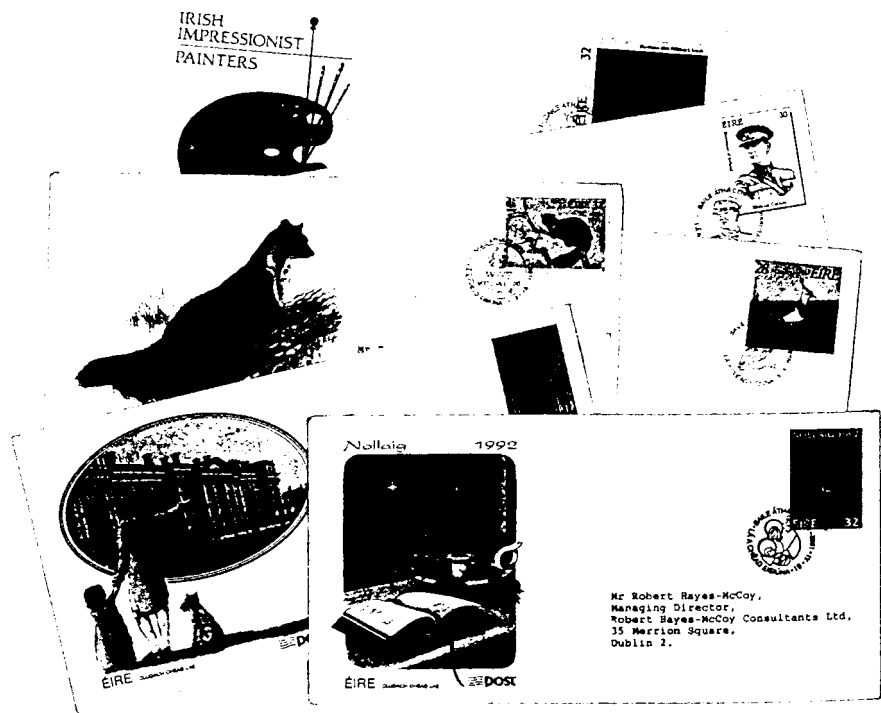
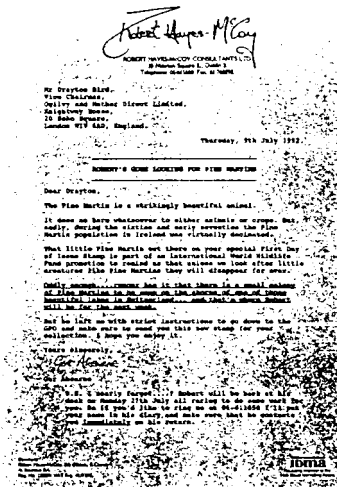


In recent years packaged goods advertisers have become increasingly interested in direct marketing. As one American executive commented in 1992: 'A year ago I would have scoffed at direct marketing, not now'.

The above mailings are part of a campaign running in Holland, linked to TV advertising. The commercials featured a cat owner dancing in samba-like fashion in its kitchen, whilst shaking a package of dried catfood and coming out with the ludicrous phrase: 'ooh, that tastes terrific'.

The owner's cat dances in sympathy.

The mailing offers a placemat with dance steps on it so that your cat can learn to dance. It is 'signed' by the cat who appears in the commercial.



If you want to do business-to-business direct mail, Robert Hayes-McCoy, an Irish direct marketing consultant is a good man to copy. His monthly mailings illustrate five important principles. First, they constitute a *campaign*: they all have a similar look and tone. Second, he is persistent: he's been sending me these mailings for three years now. Third, the mailings are impossible to ignore. Indeed, you want to collect them, because they come in first day covers featuring new Irish stamps, which are in themselves valuable. Fourth, each mailing *demonstrates* what he is selling – his skills. Fifth, the writing style has charm.


Who else wants to ring up more sales?

This new booklet from British Telecom Telephone Marketing Services shows how you, too, can quickly put the telephone to work - with unassailable results.

Testimonial 1: "I have been using the booklet for some time now and it has helped me to make the most of my telephone. I have been able to make more sales and I have been able to make more of my sales. I have been able to make more of my sales and I have been able to make more of my sales."

Testimonial 2: "I have been using the booklet for some time now and it has helped me to make the most of my telephone. I have been able to make more sales and I have been able to make more of my sales. I have been able to make more of my sales and I have been able to make more of my sales."

Testimonial 3: "I have been using the booklet for some time now and it has helped me to make the most of my telephone. I have been able to make more sales and I have been able to make more of my sales. I have been able to make more of my sales and I have been able to make more of my sales."



Testimonial 4: "I have been using the booklet for some time now and it has helped me to make the most of my telephone. I have been able to make more sales and I have been able to make more of my sales. I have been able to make more of my sales and I have been able to make more of my sales."


Testimonial 5: "I have been using the booklet for some time now and it has helped me to make the most of my telephone. I have been able to make more sales and I have been able to make more of my sales. I have been able to make more of my sales and I have been able to make more of my sales."

0800-400-400

TELECOM

Figures I saw a few years ago suggested that more money was spent on telemarketing than any other medium in America. This was one of the most successful ads ever run for British Telecom's telemarketing business. I recall it particularly because I was spurred to produce it by a previous advertisement I had written, of which I was exceedingly proud, but which produced hardly any response.

Note the heavy use of testimonials: at that time people simply didn't believe the telephone could work for them.



**Camille Cookman
of Baltimore**

"American Express helped me save over \$58 on my insurance"

This is just one example of the savings a call to American Express Insurance Service can make - find out how much we could save for you

CALL 0444 252 150 NOW
quoting reference number 1042

**A single
quote from
American
Express
could save
you time
and money**

Call us for a quote and we could save you money

RING 0444 252 150 NOW

**"We could
save you
money on
your
household
insurance"**

American Express Insurance Service
January 1993

Regular inserts like this go out in communications from most credit and charge card companies. As a rule the more transactions a customer has with you the more loyal he or she will be. Research a few years ago showed a bank customer with four different types of account was 100 times less likely to leave that bank than a customer with only one type of account.

Gehören Sie zu den Frauen, die den Ton angeben, ohne anzugeben?

1) Appropos, Sie sollten ein wenig...
a) sich fürchten, da Sie nicht die...
b) sich fürchten, da Sie nicht die...
c) sich fürchten, da Sie nicht die...

2) Sie könnten alle Frauen sein...
a) Sie könnten alle Frauen sein...
b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

3) Sie könnten alle Frauen sein...
a) Sie könnten alle Frauen sein...
b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

4) Sie könnten alle Frauen sein...
a) Sie könnten alle Frauen sein...
b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

5) Sie könnten alle Frauen sein...
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b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

6) Sie könnten alle Frauen sein...
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b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

7) Sie könnten alle Frauen sein...
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8) Sie könnten alle Frauen sein...
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c) Sie könnten alle Frauen sein...

9) Sie könnten alle Frauen sein...
a) Sie könnten alle Frauen sein...
b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

10) Sie könnten alle Frauen sein...
a) Sie könnten alle Frauen sein...
b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

11) Sie könnten alle Frauen sein...
a) Sie könnten alle Frauen sein...
b) Sie könnten alle Frauen sein...
c) Sie könnten alle Frauen sein...

Ogilvy & Mather Direct, Frankfurt, created this ad for Avon. They started by analysing the characteristics of successful Avon ladies, then set out to attract more of the same.

A cardinal rule on database is that the customer you want is likely to be very similar to the customer you've got.

A series of ads like this ran, each featuring a quiz. Readers were asked to fill in the answers, and respond, with the promise that they would be told what kind of person they were, and receive a free gift.

If their replies indicated that they would make good Avon ladies they were directed to their nearest Avon supervisor. The details stored on the database were printed out and sent to the supervisor, who was thus motivated and encouraged. Those who didn't fit into the right category were simply sent the free gift.

**When someone dies,
their possessions automatically
go to their next of kin, right?**

Wrong.

The reality is, if you die without a Will, the *law* decides how your estate will be sorted out. And who receives what.

For a FREE booklet on Wills, simply write to us or ring 01-253 0253 Ext. 346.

**Help the Aged, Legacy Office,
Room 73520, Freepost,
London EC1B 1BD.**

Registered Charity No. 272786

Help the Aged
THE TIME TO CARE IS NOW.

Really outstanding creative is relevant, with a touch of the unexpected. An idea that works can be applied to more than one situation. The ad above was prepared for a charity who never ran it (which I think was a shame). The writer, Randy Haunfelder, then adapted the idea to sell pensions, very effectively. The headline ran: At 26 you're too young to be thinking about a pension, right? Wrong.

QPB. The bookclub that doesn't put pressure on its members.

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
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Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

QPB's motto — it's either one or the other!

3 books, 3 bucks.

No commitment. No kidding.

With QPB, the toughest choice you'll face is choosing which of the 3 books you want. And with the convenience of reading — for up to 60% less than hardcover prices. To shop with less pressure, you'd have to go to the far side — to choose your 3 books right away.

QPB delivers. The only advantage you can't see.

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
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THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

WITH QPB, THERE'S NOTHING TO BE AFRAID OF.

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

THE DAY AFTER TOMORROW
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QPB \$11.99

THE DAY AFTER TOMORROW
Michael Crichton
Member: \$12.99
QPB \$11.99

QPB: No commitment. No kidding.

3 books, 3 bucks.

No commitment. No kidding.

There's nothing scary about joining Quality Paperback Book Club. Because we don't make you commit to buying a certain number of books every year. All you need is 3 bucks from the page 149 and 3 bucks plus shipping and handling.

As a member, you'll receive the QPB Review, free, 15 times a year. Select one every 15 weeks. Then, forwarding the magazine will keep you up to date on the books we're offering. You'll also receive a 15% discount on all books you order. And every 15 weeks, we'll send you a 3-book selection. You can choose to buy the books or not. And every 15 weeks, we'll send you a 3-book selection. You can choose to buy the books or not. And every 15 weeks, we'll send you a 3-book selection. You can choose to buy the books or not.

OK. Send me my 3 books.

No commitment. No kidding.

Quality Paperback Book Club P.O. Box 8804, Camp Hill, PA 17004-8804

Please send me at QPB and send me the 3 books I've heard about before. I'll pay only \$1 each, plus shipping and handling charges. I understand that I can use my 15% discount on all books I order. I'll have no obligation to buy any more books. I'll have no obligation to buy any more books. I'll have no obligation to buy any more books.

Member's Name _____ Phone number _____ QPB # _____
 Address _____ City _____ State _____ Zip _____

Please use separate paper for each order. 1998 Quality Paperback Book Club. All rights reserved. No part of this publication may be reproduced without permission in writing from Quality Paperback Book Club.

OK. Send me 3 books for 3 bucks.

No commitment. No fear.

Quality Paperback Book Club P.O. Box 8804, Camp Hill, PA 17004-8804

Please send me at QPB and send me the 3 books I've heard about before. I'll pay only \$1 each, plus shipping and handling charges. I understand that I can use my 15% discount on all books I order. I'll have no obligation to buy any more books. I'll have no obligation to buy any more books. I'll have no obligation to buy any more books.

Member's Name _____ Phone number _____ QPB # _____
 Address _____ City _____ State _____ Zip _____

Please use separate paper for each order. 1998 Quality Paperback Book Club. All rights reserved. No part of this publication may be reproduced without permission in writing from Quality Paperback Book Club.

It's normally a licence to print money, because the communication that solicits the new customer goes out as part of your regular commerce with existing customers. It rarely requires more than a simple leaflet, sometimes less. Unlike a mailing or an ad soliciting new members, you have no need to spend too much time persuading people your product is good; your satisfied customer is already convinced. In fact, the most cost-effective example I have ever seen (which I mention in another chapter) consisted of a simple one-line request on an envelope flap, offering no incentive at all. *Nothing* could be less expensive; I have never heard of *anything* as cost-effective.

So, write it in letters of fire over your desk: 'I need an MGM programme because it's money for old rope'.

**Referrals:
neglected,
but hugely
profitable**

Pass on the message

While I am on the subject, what about the converse: what can you do with people who won't buy? Your customers will help you recruit new customers; what about those who aren't your customers? It is by scavenging around in piles of what appear to be otherwise useless commercial debris – like non-customers – that you can sometimes find little nuggets of gold.

Therefore, never forget to put a small message in your communications suggesting to recipients that if they are not interested themselves, they pass the message on to someone they think may be. A good place to do this is behind the window on an envelope in a mailing so the message appears when the contents are removed. Another is in the PS to the letter.

In business-to-business mailings it's particularly important to do this sort of thing. That's because although it generally pays you to mail people by name, this is not always true: sometimes the additional cost is too great to justify the additional response. Often people move positions within organisations, or from one company to another, so that you may be better off mailing to a title. This is not always the case, but it generally is because of the large number of executives who change their jobs – or lose them – each year. One respected UK list broker stated in 1992 that 30–40 per cent of all names on the average business list at any time were likely to be inaccurate.

Often, it may not be at all clear who the real decision-maker is in the case of your product or service. That makes it particularly important that if you mail the wrong person they pass the message on to the right person.

Never assume that people will do it automatically. However, if you point out to them that the better a job of informing their colleagues you can do, the more it will benefit their company, they may be more than happy to help you.

**Beware of
out-of-date
names**

SYNDICATED QUESTIONNAIRES

The syndicated questionnaire, and the database developed from it, eliminate to a large extent the need for you to build your own database. Such databases can

How syndicated questionnaires work

contain much or all of the information you need to target accurately the people you want to reach. I am only familiar with this form of database building in the consumer area, though clearly it would apply for business-to-business as well.

This is how it works. Consumers are offered incentives – often free or discounted samples – usually in exchange for completing a questionnaire. The questionnaire may be in the form of a door-to-door leaflet, an insert in a newspaper or magazine, an insert with a product delivery, or even part of a product guarantee form. The questions cover the characteristics of the household, and the individuals within it, in considerable detail. What they buy, what brands, when they buy, how often they buy, what their hobbies and interests and habits are – almost everything you need to know. With the aid of this information you can target very accurately.

For instance, suppose you are selling Brand A coffee, you can then offer households who buy Brand B free samples of your brand and thus attempt to convert them. To households already using your brand, you can make a different offer. Perhaps one which encourages them to buy a greater quantity.

The companies running these questionnaires generally offer marketers the opportunity to sponsor questions – which they can help formulate – in areas that interest them. Thus, a car manufacturer can sponsor a section on car ownership. What car do you own? How long have you owned it? When do you plan to replace it?

This offers you what is potentially a *guided missile* for your marketing. You are able to target your competitors' customers and make them compelling offers. And it works. In the case of a pain reliever in the United States, one brand was able to persuade between 50 per cent and 75 per cent of the customers of a competitor to try their product.

Like most new ideas, this can give rise to vain hopes, if not considered carefully. The truth is that most sophisticated marketers are aware that just to get your prospect to sample your product once is only the first step on the way to brand loyalty – that nirvana of the sophisticated marketer. Nonetheless, it is a very important first step.

If you offer to customers a series of incentives which persuade them to keep using the product, then you are getting somewhere. However, always make sure that you tell people why you are offering these incentives – as a spur to loyalty, or as thanks for their custom.

COMPILED LISTS

Evaluating whether people are likely customers or not is something I have covered already to some degree, but I have not dealt with the tedious business of *compiling* lists of names of likely prospects.

Generally speaking, you are only likely to do this if you have a subject which is rather rarefied – one for which there is no list available from a broker to suit your purpose. Even then, though, it may pay you to go to one and get

How to proceed

him to compile it for you. He may do it cheaply in exchange for the right to hold the list and make money by renting it out to other users. You obviously make sure you retain the right to restrict rental to people you approve of, ie non-competitors.

But if you do have a pool of fairly intelligent people willing to pore through business directories and put lists of names on to word processors for a pittance, then by all means compile your own lists. Your sources for this heart-breaking task will be some (even all) of the following: telephone directories, trade directories, membership lists of relevant associations or clubs and any private lists you can beg, borrow or otherwise lay your hands on.

It is frequently worthwhile compiling your own list in business-to-business. Business products are becoming increasingly sophisticated, and inside businesses there are functionaries who did not even exist a few years ago. Like – an appropriate case in point – a data processing manager.

Sometimes the value to you of reaching a named executive can be great enough for it to pay you to *telephone* companies to find out the right people to talk to. You'll also pick up valuable information on how buying decisions are made.

The list industry

When I first became involved in this industry, there were many occasions when one had to compile one's own lists. There was no other option. Now, happily, this is becoming less frequently required.

In those early days, too, the industry was infested with jolly pirates offering to sell (or even *steal*) lists for you. Some of these have now left the business; others have 'gone straight' and become pillars of the industry.

So today, although the list business worldwide is not nearly as highly developed as in America, it is becoming fairly well-organised. As long as you take sensible precautions you can normally rely on getting what you have paid for.

Some of the rogues I knew in the 1960s whose pockets were stuffed with ill-gotten cash must be stunned to see that there is now even a List Brokers and Managers Association in the UK. They must feel rather like aged gunfighters did when the law came to the Old West. In their day, the business was often conducted over bars, with the unit of exchange purloined postal dockets. These would be filled in with fanciful numbers and shown to the gullible clients as proof that their mailings had gone out.

Nowadays, if the thrills and spills have diminished, there are still quite enough things that can go awry to keep the adrenalin flowing.

In the United States, the list industry is divided between list managers and list brokers. A manager will look after lists on your behalf, whilst a broker is a middleman. In most other countries such fine distinctions have not really caught hold. Most brokers will manage; most managers will broke.

A history of lists

Lists today

Any broker can normally get hold of most available lists, so it really comes down to finding a broker you think is efficient. In a nascent industry, this comes down to trial and error, and consulting your friends.

You can go direct to the owners of the lists, too. In Britain there are two directories that give you lists of the lists available: one is published by Benn, the other by Gower. Neither can keep pace with the changing marketplace. Now, British Rate and Data have come out with a List of Lists. In the US there are many such sources. In less developed markets, none.

Use an expert

Although you will end up paying one way or another for his services, I think it's worth going to a broker.

The number of things that can go wrong with the way names are held (eg what kind of computer program is it held on?) and with whether you get what you paid for (eg the number of names on the list, or the number actually still alive and kicking) is such that you should make sure you have someone else to worry about it. And of course to *blame* when things do go wrong.

I will only give you two words of advice on this subject. First, make sure you are not paying *two* sets of commission rather than one. Sometimes the broker you are dealing with may be charging a commission and the one who is managing the list may be, too. Let them split their earnings, not double them.

Second, take the time to go into every conceivable detail about the lists; or to make sure that the broker has done so. Other, more technical books deal with this at great length. They are worth studying if you can't afford an in-house expert. Happily we have one person in our company who has forgotten more than I'll ever know about the subject.

A world of foul-ups

All I would urge you to bear in mind is that this is a world on its own, with more possibilities for foul-ups than you can imagine. All the criteria I listed earlier in this chapter apply, plus questions such as whether the computer can provide an *n*th selection for testing? ... Are the names in postcode order or in alpha sequence? ... On what kind of labels will they appear? ... Does the owner insist on mailing himself? ... How recently were they mailed? ... How soon can *you* mail them?

Every question contains the seeds of a sleepless night if it hasn't been asked and answered, I promise you.

The cheapest way to rent is: pay nothing

Many sophisticated direct marketers believe list rental is good for three reasons:

The pros...

- 1 Having your list mailed regularly keeps it 'clean' by taking out the gone-away names, as well as making it more responsive.

- 2 Mailing list rental income is easy money, for the overheads are minimal, and the revenue almost entirely profit.
- 3 The activity nourishes the industry generally by giving everyone another source of sales.

Unfortunately, there are also good reasons for *not* renting out your names. Some companies use their lists so much they are worried that additional use by outsiders would kill the goose that lays the golden eggs. Others are just naturally cautious: they fear they will have their names stolen. Personally, I would take the money and take the precautions.

One way to overcome this problem (particularly with a competitor, who may be worried about his precious customers) is to exchange names – possibly names of lapsed customers. That way, you pay no rental, and everyone feels secure. Another is simply to keep the mailing of the list under your own control.

**...and cons
of list rental**

Renting out your own names

It is perfectly possible for list rental to make the difference between profit and loss in a modest business. The average rental today in the UK is about £75 per 1,000 names. If you only have a small list of 100,000 names and you rent it out just once a month, the pickings are quite toothsome. Under such circumstances only good reasons of corporate policy (or reactionary masochism) can impel one to non-rental.

But you must take precautions. You must seed your list with trap names – the names of people who work for you, or are associated with you, to monitor what goes out. And, of course, you must let those who rent the list know that your list is so protected. Equally, before letting anyone use your list, make sure they show you what they are sending out.

Other sensible precautions include storing a copy of your list elsewhere, in case of fire or theft – indeed, anything you would normally do with something of value. Simply think about the list not just as some *names*, but as a precious business asset and act accordingly. Maybe just by calling it your *database* you will treat it with appropriate respect.

Incidentally, one consequence of renting out your list is that you get to see other people's packages and learn how they are doing.

**Seed your
list**

The most crucial element

Mailing lists, or even databases, may seem at first sight rather dull. Yet I am particularly keen that you assign great priority to the subject. This is possibly because, as I have already admitted, I suffered for many years through knowing far too little about it. More important, these are *people* we are talking about.

Thinking deeply about the people you mail or telephone is vital. For example, if by analysis you can make unprofitable lists profitable, and profitable lists *more* profitable, this affects your business right down the line.

You can, for example, afford to mail a greater number of outside lists, thus enlarging your business base. You can also make more money from your own database. First by segmentation, secondly by communicating more often, and thirdly by delivering more potent messages.

In testing, it is the *people* – the lists – that make the biggest difference. In creative, the same: how well you speak to them will determine your results. In choosing the correct position for your business, once again, your knowledge of people is critical.

**The list is
your treasury**

The database, or list, is your treasury. What you do with that treasury will determine the future of your enterprise. And how well you manage that treasury will be determined by how well you understand those people.

Where Ideas Come From and How to Express Them Persuasively

*'Genius is one percent inspiration and
ninety-nine percent perspiration.'*

Thomas Edison

*'Everything that is written merely to
please the author is worthless.'*

Blaise Pascal

THE BIRTH OF AN IDEA

You only have to look at your children's drawings or listen to the odd little phrases they coin to know that man is born with a creative urge. Yet sadly, most people lose this urge as they grow older.

Many 'primitive' societies seem far wiser than us in the way they nurture this quality. For example, I have in my home some masks and statues from New Guinea, tapa cloths from Samoa and aboriginal paintings. Artists like Picasso learned much from this kind of art, and the artistic impulse – seen in acts like body painting and tattooing – seems more widespread in their communities.

But we 'civilised' folk in pursuit of such worthy ends as direct marketing allow this inherent ability to atrophy. We have come to think only a special, gifted few can be 'creative': you have to be a specialist. Yet, who has not used the phrase: 'I've just had an idea'? The question is: was it a good idea or a bad one?

Those who don't do it for a living tend to imagine having good ideas is a matter of flair; of letting the mind wander where it will. This is a myth. Your imagination flourishes best when guided. You are more likely to have good ideas if you go about it in the right way. I am not saying everyone can be a great writer or painter. But when someone asked Johann Sebastian Bach the secret

**What is a
good idea?**

of his genius, he responded: 'Anyone can be a genius if they work as hard as I do.' But work hard in what way?

I have already mentioned James Webb Young, the American copywriter. He became a successful mail order operator after he retired from J Walter Thompson, so he would seem better qualified than most to advise you on how to get ideas in this business. In fact he wrote a book on the subject.

How do great artists, writers and musicians find and develop their ideas, he wondered. He did a lot of research and found out their methods were often very similar. From them came the book, *A Technique for Getting Ideas*. Much of what he learned is encapsulated in the following three steps.

1 Master your subject

You must be thoroughly familiar with the subject. David Ogilvy once stated that before he set about writing any advertisement he looked at all the advertising that had been done for the particular category of product for the previous 20 years. You may not have the time or resource to go to such lengths, but the point he was making is important.

Steep yourself in knowledge

Suppose, for instance, you have to write about something pleasant like a tourist destination. First, steep yourself in knowledge about it. From this knowledge will come your raw material. Learn all you can about the people, the places, the amenities, the local customs, the beauty spots. Compare it with alternative destinations. See what its strengths are. Take note of its shortcomings, too.

It is from the *truth* that you will create good work. Your imagination can never dream up anything to beat the truth. This process of learning is vital. It will determine your positioning.

Think about your prospects. Read any market research there is available. Speculate about those wishing to visit the country. What kind of people are they? Why would they wish to go there? Make lots of notes. What would *you* like about going there? What would disappoint you? Talk to your colleagues and ask their views. Jot down any ideas you may have (no matter how odd).

I chose this example – a tourist destination – because I spent years working on such accounts. Two examples show how taking the facts and positioning the destination carefully on that basis can prove very successful.

About thirty years ago, when the Greek National Tourist Office set about selling Greece, four benefits stood out:

Note your benefits

- There were miles and miles of unspoilt beaches.
- The weather was exceptionally pleasant.
- The people were unusually hospitable.
- There were outstanding historical sites.

Comparing these facts with other destinations and with what tourists liked, it emerged, for instance, that prospects were not interested in learning about

antiquities – though they appreciated beauty. So the advertisements showed famous sites, but did not talk much about them.

This, of course, was an English advertising campaign. I believe that had we been writing to a French or German audience, research would have revealed different inclinations.

However, to return to my story: we learned that our prospects loved sunshine and beaches. What is more, at that time French hoteliers were building a reputation for rapacity; the Italians were becoming known for a very imaginative approach to preparing their bills; and Spain was full of half-built hotels, with – in those that *had* been built – waiters who had often got jobs in exchange for helping to build the hotels.

Accordingly, a campaign was devised based upon the positioning (and the slogan): ‘Greece greets you warmly’. Every ad also ran the line: ‘Summer in Greece lasts from April to October’. And every ad mentioned the hundreds of miles of unspoilt beaches in Greece.

The campaign rightly won many awards. More importantly, it produced an astonishing number of enquiries and sales. Somebody at head office must have got bored, because they stopped running it after a few years. They were foolish. I do not know who wrote it, but it was a brilliant solution to the problem. In the years since, Greece has become one of the most popular of all European tourist destinations, but the advertising has never been as good.

I also worked for some time on the British Travel Association account. The only thing I learned from that was that if you put a very large FREE next to a picture of the brochure, you get a lot of replies. Mind you, this is well worth knowing.

Another tourist destination which has been promoted brilliantly is Singapore. Singapore is very small, unbearably humid, and there are no real beaches. On the face of it, the only good reason to go there is for shopping or business. However, if you are travelling between Australasia and Europe, Singapore is as good a place to stop off as any.

The city is inhabited by four different races: the Chinese, the Malays, the Ceylonese and the Indians. Each has retained its own culture. So it has been sold as a place where, in a few square miles, you can experience all those four cultures, whilst having a break from your trip across the world.

The cleverness of it is that the advertising does not try to sell a two-week holiday in Singapore. It points out that you can see it all in a few days. It is based on the truth, and is thus wildly successful.

Campaigns like this can only be created because somebody has started by mastering the facts, which leads us to the second step in getting good ideas.

**What I
learned
about
tourism**

2 The inner game

I once read that your brain is a computer with so many connections that by comparison even the mightiest man-built computer is the size of a pea. With

Let your subconscious take control

the rapid development in the capabilities of computers to which I have already alluded, this may no longer be true, but no computer can yet do what a brain can do. Your brain is perfectly able to do all the analysis and synthesis you need to get ideas – if you have faith in it.

You must have heard people say: ‘I have no idea where that idea came from. It just came.’ Well, a lot of what we achieve comes from the subconscious. Indeed, in a totally different field, many top sporting coaches have come to believe that if you just let your brain and body run on ‘auto-pilot’ and stop concentrating consciously, you will do better. One of my former colleagues who is a pinball fanatic told me this works for him.

Whatever the truth, it seems that in getting ideas the same principles apply. At a certain point you must let your subconscious take over.

Once you have stored up all the facts about your problem in your brain, and talked to other people about it, and written down any ideas that occur to you, just relax. Move on to another job. Don’t struggle, just forget that particular problem. But set a mental ‘alarm clock’. Tell yourself you need to look again at the problem on Tuesday morning. Then let your subconscious worry about it. On Tuesday morning, sit down and see what ideas come to mind. You could be pleasantly surprised.

This method does not guarantee success. No method can. But many people find it works. The secret seems to be relaxation. I find that going for long walks seems to help. (So did Beethoven, which makes me feel good.) Mozart played billiards. Some like lying in the bath, or having a drink. Apparently the philosopher Descartes conceived his great maxim, ‘I think, therefore I am’, whilst sitting in an oven in Poland. I suggest you do whatever you find most relaxing to help your brain get to work.

3 Use sounding boards

One of the principal benefits of working with others is that you can talk to them about your ideas. When you have an idea or some alternatives, discuss them with your colleagues, your secretary or – always a good idea – potential customers. They will always see the benefits or drawbacks more clearly than you.

Many people are most unwilling to do this. We identify strongly with our ideas. They are our creatures. It is hard to expose them to the bitter wind of criticism. However, you are not creating for yourself, but for others.

A word of warning, though. Make sure when asking for others’ reactions that you don’t ask leading questions. I used to provide a lot of innocent amusement to my colleagues by the way I phrased my requests for comment. I’m so delighted with getting *any* idea that I tended to say something like: ‘I’ve just had this fantastic idea. What do you think?’

Only close friends (or unfeeling wretches like my associates) are willing to tell me the truth – that my brilliant idea has about as much chance as

a snowball in hell ... that nobody would understand it ... or, more than once, that I hadn't even made clear what the product was.

So phrase your questions carefully. Don't incorporate the desired response in the question. 'Can you understand this?' Or: 'Would you buy this product?' Or: 'Is this credible?' Or: 'Do you think this is worth the money I'm asking?' Particularly valuable is: 'Have I missed anything out?'

**Have I
missed
anything
out?**

Of course, some kinds of people seem to get better ideas than others. They are better prepared. If you have what is known as a 'well furnished mind' you are likely to do better. Read a lot (anything and everything). Watch TV. Go to the cinema. Visit art galleries, shows, exhibitions. Travel.

Above all, be *curious*. 'Questioning is not the mode of conversation amongst gentlemen,' said Dr Johnson. But it is amongst successful copywriters.

I am also inspired by example. Watching any supreme performer in any field fills me with greater keenness for my own endeavours. It doesn't matter what they are good at, I find it makes me want to go out and do better myself. Anyone who excels, from those doing simple things to those with great gifts – from street traders to virtuoso cellists: they all inspire me if they are really good.

The secret is *awareness*. Don't be dull. Be alive!

Being able to come up with ideas is only one part of the process of persuading people to want to do what you want them to do. You have to marshal your ideas and put them on paper.

**Marshal your
ideas**

Writing is not an airy-fairy pursuit. It is just hard graft. Thirty years ago I wrote a novel. When people asked me what it was like, I remember answering that it was very hard on the fingers (I am a two-fingered typist, and didn't have an electric typewriter). It is also hard on the nerves. Especially when you are confronted with that first blank sheet of paper.

I recall working in one agency where one of the writers just couldn't come up with ideas. Day by day he came in later and left earlier. Finally he disappeared. Some years later I met him in Regent's Park. He was working as a telephone operator. His case is not unusual. People talk, for instance, of 'writer's block'. Even great authors fear it. For example, F Scott Fitzgerald was obsessed with the fear that he had within him a source of inspiration – a kind of well – that would one day dry up.

Nearly every good creative person I know has this awful feeling when first confronted by a problem that *this* time they won't be able to cope. I certainly do. Times without number I have smiled confidently at a client, promised I could handle the task – and gone away filled with despair, wondering if I was up to it.

If you are not a writer or an art director, you may imagine that this feeling of panic is confined to 'uncreative' people like you. Well, now you know it isn't.

GETTING ORGANISED

I have given you a sequence based on how other people get ideas. But you may rightly ask: how *do* you marshal your ideas? How do you start?

Be disciplined

The great appeal of working in a creative environment is that it is not like working in a factory, producing so many car panels a day, or so many mouldings. But the drawback is that what you are doing is hard to measure or evaluate. Nobody can look at the number of words you have produced and say: 'Ah, that's 20 per cent above target, have a bonus.' And you can't just switch a machine on and get on with it each morning. You have to start your *own* little machine, and discipline yourself. It's not easy.

To succeed in creating effective selling communications, you *need* discipline. Anthony Trollope used to get up every morning and write for three and a half hours before going to work in the Post Office. Sir Walter Scott was driven by the need to pay off massive debts. Dickens succeeded by writing to the demanding formula of a monthly serial. Certainly you shouldn't feel too proud to work in a disciplined way.

Throughout history, great creators have been confined and thus forced to exercise ingenuity, either by convention or by self-imposed guidelines. In mediaeval times writers, musicians and artists were obliged to work on religious themes. Otherwise, they could not eat, for the church was the major source of patronage. The great composers of the classical period wrote within rigid structures: the symphonic form is quite a straitjacket. Chinese and Japanese poetry for thousands of years was produced to very precise rules.

I am not suggesting that producing advertisements and mailings is great art. But I can tell you that, having written just about every kind of communication, commercial or otherwise, over the past 30 years, that they *all* demand some kind of discipline. They all benefit from a proper structure.

Form a proper structure

There are a number of formulae you can follow if you want to ensure that your work follows a logical sequence. However, the most famous is also the best in my view. It is certainly one that has stood the test of time. Here is how it was expressed in a book called *The Inner Side of Advertising*, written in 1920 by a former advertisement manager of the *Daily Mail* called Cyril Freer:

Steps to create a good message

Here are the component parts of a good sales letter:

The *opening*, which should attract the reader's attention and induce him to read.

The *description and explanation* should hold his interest by causing him to picture the proposition in his mind.

The *argument* should create the desire for the article offered for sale.

Persuasion should bring the reader around to your way of thinking by seeing how the article is adapted to his needs. This is followed by:

Inducement, which gives him an extra reason for buying, and in conclusion you have –

The *climax*, which makes it easy for the reader to order, and assures that action by causing him to act at once.

This formula is variously known as AIDA or AIDCA. If you want to remember it, then recall the name of the opera by Verdi. AIDCA stands for Attention, Interest, Desire, Conviction, Action.

AIDCA

It stands to reason that in order to give people your message, you must first attract *attention*. Having attracted attention, you must *interest* people in what you have to say. But this is useless if they do not *desire* what you are offering. And even if they desire it, they must be *convinced* what you say is true. You will also notice that in Mr Freer's recipe there is the inducement. This can be either the offer, or the penalty, ie 'We'll give you something if you reply now; and if you don't reply within a certain time, than the offer will lapse'. As we saw in the *Reader's Digest* split run example shown elsewhere, this approach, even though buried in a very large advertisement, can have a significant impact.

All this is wasted effort if you do not then get them to *act*. The offer, which is not really covered properly in this old formula – save for the mention I have quoted from Cyril Freer's book – has two purposes. Firstly to get people to pay attention; second, to get them to act. More on that later.

CONTEXT IS EVERYTHING

'Circumstances alter cases' is a legal maxim which it is well to bear in mind. That which is relevant today can be supremely irrelevant a year from now, or even a week from now. It is the inability of poor creative people to adapt to circumstance which makes for a lot of poor work.

The most obvious example of considering the circumstance is that of adapting the *tone* to match the advertiser and the audience.

**Adapt tone to
fit the
circumstances**

Equally obvious are cases where the whole communication is based upon the circumstance: eg a mailing on the occasion of someone's birthday, a new year, or the anniversary of their first doing business with you.

When considering how somebody will react to your message, simply consider what makes sense. Thus, the other day I received a letter from my optician. It had a very good opening: 'It hardly seems a year since I saw you last!' They wanted me to come in and have my eyes tested again.

This excellent opening, however, was far less effective because:

- 1 I didn't actually *know* anybody at that optician's – yet they were writing to me as though I did.
- 2 The thing wasn't properly signed by anyone – there was just a meaningless squiggle at the bottom. A good example of misapplied creativity.

Considering circumstances carefully can make for breakthroughs – either because you come up with a new offer, or a new way of presenting the product to a particular audience.

**Consider
circumstances
carefully**

A few years ago American Express introduced the Gold Card. It was a radical concept; simply saying to cardmembers that there was now a Gold Card for those who were rather more important than Green cardmembers was

sufficient to get sales. In the UK the appeal of the Gold Card was bolstered by giving cardmembers access to a line of credit. This worked extremely well – but not everyone responded, obviously.

Here is the opening to a successful follow-up letter which I wrote to offer the card.

You may recall my writing to you some while ago inviting you to apply for The Gold Card – which gives you access to benefits greater than those available to Personal Cardmembers.

You will, I believe, find these well worthwhile: particularly the £10,000 unsecured overdraft facility, which many Cardmembers certainly find invaluable. This overdraft, which is available through American Express Bank Ltd, can be yours *in addition* to your present banking arrangements.

Of course, it didn't take long for the banks to come up with their own gold cards. What could we do then?

The answer was to make a more competitive statement. Here is the opening to the letter I wrote with that in mind:

A more competitive statement

You may recall that I invited you a while ago to apply for Gold Cardmembership.

As you are aware, there are now other 'gold cards' – indeed you may possibly have been offered one; so you may well ask: 'Why the *American Express* Gold Card?' It's a good question.

The Gold Card is designed to give certain Cardmembers a complete *range* of privileges; exclusive privileges which will make your life easier and more pleasant. Indeed, we have recently introduced several *new* benefits, which is why I am writing to you now.

Both these mailings were successful but, as you can see, they depended upon the context at the time.

What do you know about the people?

Let's take an example of using what you know about your customer to communicate more accurately. I once had to write some copy for a company, Ace Gifts & Cards, which recruits agents who sell to other people – usually friends and neighbours.

The only thing clear to me about the prospects was that they were people who wanted to make extra money – or save money for themselves and their family. And the best prospects were likely to be sociable people.

The list being mailed was one of people who had recently moved home. The audience was not very sophisticated, so we made the personalisation very overt – each personalised section was marked in yellow. We found this simple device lifted response.

Here's the opening of the copy:

The best prospects

How to make money as you shop –
and make new friends around Chalk Lane.

Dear Ms Berger,

Hello! How are you enjoying life at No. 18? Let me tell you about a new idea that could make (or save) you money as you shop ... help relatives and your family with their gift problems ... and even make friends amongst your new neighbours.

One of the things I had discovered was that the majority of sales were made not from a desire to make money, but simply from a desire to save on the commission. Another was that good agents were very sociable. They liked meeting new people.

Let me give you another instance. I was asked by the Save the Children Fund if we could persuade people to leave them legacies. This struck me as difficult. The same problem had been attacked quite simply by other charities offering a free booklet in advertisements on how to make your will. This seemed to me a good idea, but to succeed it depended upon people actively responding to an advertisement dealing with a very delicate subject – death. The idea of writing a mailing with the same objective I found daunting.

I spent a lot of time considering my target audience – elderly people – and the circumstances in which they would find themselves. In order to do so, I tried to think about elderly people I know. After a certain amount of reflection I determined that elderly people do think about death quite a lot. I also considered that elderly people are slightly more religious than the mass of the population.

I therefore determined to try what was fundamentally the same approach, but with two different openings. I wrote two envelope messages. One read: ‘Do you believe in life after death?’ The other read: ‘For everyone over 55. Inside: an important question that cannot wait ... and some *free* advice.’

Both the mailings attempted to empathise with the prospects. Let me give you the opening of one of them:

A free 12-page booklet, with our
compliments, which may prove *of*
priceless value to those you love.

Dear Reader,

Do you believe in life after death?

This is one of the questions which people talk about less nowadays than when we were young. Yet if you – like me – are over 55, I would be surprised if you are not more concerned than you used to be about what will happen when you pass away.

You will notice that, in accordance with my own rules, I open with the offer – although I do not make it clear what that offer is.

Both approaches proved successful, one more than the other: I wonder if you can guess which? The answer is: Life after Death did about 25 per cent

**Calculating
the message**

**Consider
who you
want to
address**

better than the other message. Nevertheless, the client felt that that message was probably too insensitive for our target audience, and we pursued the less successful one. (Incidentally, the mailing also raised a record amount of money for Save the Children, apart from a lot of requests for booklets.)

Once again, with this subject as with others, we emerge with the same moral: considering the people you are about to address, what they want, and what situation they find themselves in will invariably prove the key to the creative approach – rather than the key most people try to find: an ingenious or clever approach.

NATIONALITIES AND SOCIAL GROUPS

**United by
their
similarities**

Direct marketing works in most countries, to most social groups, in both business and leisure contexts. One maxim I would like to instil in you is: **‘People are more united by their similarities than divided by their differences’**.

Time after time I listen to self-important businessmen who tell me that of course businessmen are far too busy to read those long, boring letters, or play with those little stamps on mailings. Or particular nationalities claim that direct marketing won’t work with their fellow countrymen.

Happily, I have had the opportunity to see my copy run in many countries, and appeal to many groups of people over the years since I first got into international direct marketing with the Bullworker. People everywhere respond to the same motivations. For the most part they respond to the same copy.

**The same
appeals work
everywhere**

My last job at the Franklin Mint was to write a mailing package for a product (to do with baseball, incidentally) to be sold in Japan. Prior to that I wrote for Italy, Belgium, France, Australia, Holland and, of course, the UK. The same appeals worked everywhere.

There are clearly products and services likely only to work in particular countries, because of national peculiarities. For instance, one of the biggest sellers in Japan for some time now has been a cooker which will prepare your rice for you while you are out at work. In Britain and the United States, the general population do not eat rice every day. Clearly, such a product would not be appropriate. In China or India it would – except that few people in those countries could afford it.

**Does the
product have
universal
appeal?**

Other products clearly have appeal no matter what the country. Coca Cola is perhaps the most famous example. Credit and charge cards amongst financial products seem to have a pretty universal appeal, too.

The moral is to allow for national differences, but profit from similarities. Often you don’t have to reinvent the wheel by creating entirely new copy for a market you are about to enter. A lot of people will tell you otherwise. Almost all nationalities hate to admit they are in fact similar to other races. My advice is, if it seems to make sense, *test* the creative work that succeeded for you in another country, even though you may simultaneously wish to try a different approach for the country you are moving into. And don’t make *any* changes

unless they are clearly necessary because of national peculiarities. *Reader's Digest* have found that where an approach transferred from one country to another fails, it is often because some element was needlessly altered.

Another canard is that the businessman becomes a different animal when he gets in his car to go to the office. Of course he doesn't. He is a human being first, and a businessman second. If you write to him about some way of doubling his profits, he doesn't say: 'I'm too busy to read this ten-page letter.' He says: 'God, do we need extra profit. I wonder if they've got something here.' After that, it depends on how cleverly you tell your story.

This point about businessmen is not something I have just dreamed up. Both research and experience indicate clearly that businessmen respond extremely well to gimmicks; particularly things they can play with – and they are *always* happy to read news which they think is relevant.

All you have to do when addressing people is to bear in mind who they are. Don't be put off by people's desire to imagine they are either superior to, or different from, others. Their motives are what matter. Indeed, if you have the right message, it will overcome even the most crass of approaches. On countless occasions, even the most aggressive, insensitive US mail order blockbuster has succeeded because it offered what people wanted. And if people want something, they want to believe they can have it.

**Motives
matter**

Once again, it comes down to commonsense, no matter what the market you're appealing to. If the product makes sense, and the motivation is there, you can usually find a way of presenting that product to the appropriate audience and selling it.

Of course, sometimes it isn't always clear whether there is a market for the product you have in mind. Xerox, for instance, had great expectations some while ago of a copier that could reproduce in colour. It seemed a brilliant idea. It *was* a brilliant idea. Unfortunately, as one of their top executives observed wryly afterwards: 'You have to have something to copy from.' And there simply wasn't a great deal of full colour material people wanted to copy. So the product was not the success they thought it would be.

However good the idea, whatever the nationality, whatever the social group, I believe you'll find that the principles you apply will always hold true. Curiously enough, the same thing applies when considering another question often mooted: how do you approach working in different forms or media; how do you translate ideas from one to another?

MEDIA VARY; PRINCIPLES DON'T

Most of the principles which govern success in creative work tend to apply to *all* media.

By that I mean they apply to advertisements, door-to-door leaflets, direct mail letters, complete mailing packs, inserts, television and radio commercials and posters – everything.

Start with what works

This is difficult to appreciate when you first start as a writer or art director. When asked to prepare a direct mail pack for a product which has already been sold successfully through advertisements, the novice will commonly scratch his or her head and wonder how to set about it. The answer, of course, is to *start with what has worked already* and see whether you can adapt it to the new medium. One particular approach will not always translate easily into another medium, but with a little ingenuity it often will.

If you start with the simplest format – an advertisement – and look at the elements, you can then build up from there to other more complex formats.

The elements of an advertisement (and this would be true of a single-sided leaflet) are usually a headline and a picture which together attract attention; subsidiary headings and pictures supported by copy and captions do most of the selling job; and then the coupon or, if it's a very small advertisement, the request to write in or ring up gets action.

Building a good opening sequence in a simple mailing pack – envelope message, opening to letter, opening to brochure and heading to order form – is not radically unlike starting an advertisement. The first difference is that the envelope message need not necessarily reveal the full benefit or offer: it could be a tease, designed simply to get you inside the envelope. The second difference is that once inside the mailing pack the reader can choose to turn anywhere – to the letter or the brochure or the order form. (Some research suggests they turn first to the order form to find out what the commitment is and what the price is.)

Nevertheless, in all media, you must first get the prospect to start reading, and to start reading in the right frame of mind. Or to start paying attention to the broadcast message – once again, in the right frame of mind.

Let's return to the AIDCA formula. The sequence is not rigid. Sometimes, the urge to action can come at the very beginning of the message. There are often other good reasons why it should. It may of itself compel a degree of attention. Sometimes the interest, the conviction and the desire are intermingled. But *whatever* you do you certainly have to attract attention somehow.

What gets attention

The only figures I have seen suggested that only 20 per cent of the readers of a newspaper even noticed the headline of the average one-eighth page advertisement – and then only a small proportion of those would carry on and read it.

In the case of a direct mail shot, the most recent research I have seen – from the Royal Mail – suggested that over 77 per cent of mailings are opened. 63 per cent are opened and read to some degree. In the US the figures are lower, as you would expect, since far more direct mail is sent out. An Australian friend of mine, Malcolm Auld, says people look at nearly all their mail, even if it is only just before they throw it away.

Virtually every telephone call is listened to, but this is the nature of the medium. And most catalogues are obviously opened, because they are either requested or, at the very least, seen as a pleasant read.

The situation is different with a television commercial: most viewers will probably notice your commercial and sit through it. The problem is, will it motivate them to *do* anything? In fact TV and radio have their own special requirements which I shall touch upon, but for much of this chapter we are talking about your major direct marketing media, and especially how to get people to *start* reading your ads, mailings, and inserts. And *keep* reading them.

Happily, we do not have to guess what most often attracts attention, because the famous copywriter and research pioneer John Caples spent many decades testing to find out.

Headlines that attract attention

In advertisements, the attention-getter is almost always the headline/picture combination. It is vitally important. Yet over eight out of ten advertisements are never read beyond the headline. Therefore most headlines are clearly not good enough to make people want to read on. Ergo, not enough work was put into them.

Most people think (especially consumers, when asked their views on ads) that unusual, shocking or funny headlines work best. This is not so. The best attention-getters are headlines promising *benefits* to the consumer. (If people want to be entertained they will watch TV or go to the movies, or read a book. If you want to entertain people, get a job in the entertainment business, and get out of direct marketing.)

The second best headlines give *news*. People like to know new things. The third best headlines are *curiosity* headlines.

Note that I say ‘headlines’. Some may say a picture is worth a thousand words. Not so in our business. A picture should complement the words or lead you into them – certainly never conflict with them. But it is almost impossible for a picture *alone* to express a buying proposition, or benefit. You need words. On the other hand, words *can* very often explain your proposition, unillustrated.

Some of the very best headlines combine the elements of news, benefit and curiosity. Thus, several fortunes were made in the 1950s and 60s from a mailing and ad for a special kind of spark plug. The headline was: ‘Now, run your car without spark plugs’.

It was a startling way of implying a benefit. I tried to write a better headline for some months, featuring the big fuel savings that the product could deliver, but my headlines never beat that unusual opening, which in any case was followed by the main benefit in a bold subhead.

We all like to be clever or original. All too often one comes out with a striking phrase and says: ‘How can anyone ignore this?’ I have lost count of the number of times *I* have said that. For example, some time back one of my partners wrote an ad for Dr Barnardo’s with the memorable headline: ‘The frightening truth about Barnardo’s new adoption shop’.

Headlines and pictures are critical

Words are more essential than pictures

Don’t rely upon curious headlines

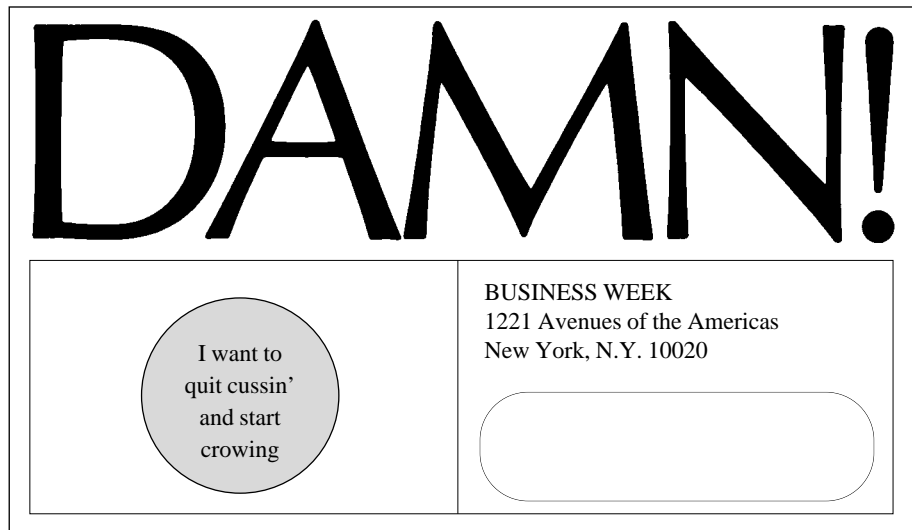


Figure 10.1 This is from the team of Bill Jayme and Heikke Ratalahti. They specialise in magazine subscriptions, and probably do it better than anyone else.

I thought this brilliant. So did the writer. The frightening truth was, of course, that without enough money, the establishment would have to close down. The public was unmoved, and sent hardly any money in. Our faith in their curiosity was not justified.

When curiosity works

Clever curiosity lines rarely work in ads. But they often do well as envelope messages. Sometimes, a curiosity line can be very powerful.

The ‘Damn’ envelope I have illustrated is such an example. (Though it also says ‘I want to stop cussin’ and start crowing’ – a pleasing, if vague benefit.)

In the broadcast media, which are entertainment more than news-orientated, you will often find relevant and amusing curiosity is very good in attracting attention. Thus, in the 1950s, for a commercial selling hair-restorer, the opening line was: ‘Did you ever see a bald sheep?’

The problem with using curiosity appeals is the same as the problem with humour. What some people find funny, others don’t. The great Claude Hopkins (more about him later) used to say flatly: ‘No man buys from a clown.’

In fact humour can work if it does not overshadow the message. The idea of a bald sheep is not only curious: it is funny.

If you think you do have a clever opening, it’s a good idea to put in a benefit by way of an insurance policy. For example, Courtney Ferguson, formerly a colleague of mine, has a bizarre sense of humour which results in some pretty striking lines. Being a professional writer, she tends to restrain her wilder excesses.

Humour can work

Walking past her desk one day I saw two lines she had written to go on the envelope in a mailing to sell dried minced beef to caterers. One said: ‘You can’t send cottage pie by post’. The other said: ‘How to get 2lbs of minced beef, free’. She had rejected the first as too far out. We discussed it, and ran them both, the first very large, the second quite small beneath it. The results were very gratifying. There was a clear benefit. And caterers were naturally interested in cottage pie anyhow, which is a rather dull but very popular British dish composed of mashed potato, minced beef, onion and stock.

You can’t lay down hard-and-fast rules about which headlines will work and which won’t – only for which are *likely* to. You could probably write a book on the subject. But since nobody has done so, the next best thing is to get a copy of a marvellous opus by Vic Schwab called *How to Write a Good Advertisement*, which contains a list of 100 effective headlines. I keep a copy in my desk. Every time I’m really desperate, I look at this list and see if it doesn’t start me thinking. It usually does.

When I first came into this business, people used to talk about ‘stoppers’ – headlines that would ‘stop’ the reader. But it’s no use stopping them if you don’t immediately start them, too.

A charity ran the headline during the Biafran war, ‘Fresh food is flying into Biafra daily’. It showed a giant picture of a locust. It garnered hatfuls of awards, and made the writer’s reputation. What a stopper.

It produced relatively little money, I was told by a member of the governing body of that charity. Who likes looking at locusts? A picture that stops you dead may not make you want to read on.

Incidentally, often the most effective headlines are not originally conceived as headlines. They are *buried* in the copy. That’s because writers and art directors tend to be like car engines: they take some time to warm up. Often the first ideas they come up with are by way of revving up; the first few paragraphs of copy are just a series of circles around a problem. You will often find diamonds in your own back yard by looking through the body copy for a good headline. (For the same reason, when editing copy you will often find it pays to cut out the first two or three paragraphs almost entirely.)

Sometimes the opening to the letter in a direct mail package is really the attention-getter. The envelope may have no message on it at all. Often the quietest openings, which merely *single out* the prospect, work best.

One famous letter opening is: ‘Dear Mr. Bird: If the list upon which I found your name is any indication ...’. Here is the soft, but very effective beginning of a successful letter I wrote for an insurance policy aimed at teachers: ‘Were you aware that there is an insurance company which offers preferential terms exclusively to teachers and their families?’

The most *boring*, unimaginative way to single out a prospect is to say: ‘As a teacher, you ...’. Poor stuff – but very common amongst second-rate writers.

Which headlines will work

Look to copy for headlines

Once you have gained people's attention – what next?

Each medium may have its special demands when it comes to attracting attention, but it is when you try to create *interest in* and *desire for* your product that professionalism often shows most clearly.

Above all you must keep your reader with you.

Joe Sugarman, the US mail order wizard I mentioned at the beginning of this book, has likened good copy to a 'greased chute'. All you have to do is make sure the reader will read the next sentence after the one you have just written. This is true, but easier said than done.

You must look back at what you have *already* said, and see what the person would next like to know. And – just as important – what you can deduce about them simply because they read the previous copy.

The only thing you know about the person who starts to read the body copy is that they have probably already read the headline. Thus, the opening should amplify or explain what the headline has said; *enlarge* upon it.

That's why so many proven ads begin with something like: 'Yes, it's true, you can (do whatever has been promised).'

Picture your reader

One measure of good copy is what I call the *nod factor*. You must picture your reader, and see how many times you can get him to nod in agreement. People like to have their prejudices confirmed. It keeps them reading happily.

Let's follow the sequence in the teachers' insurance package I mentioned when discussing how to open the letter copy. After the first sentence, the copy goes on to say: 'Although we choose not to spend large sums of money advertising the fact, we have been helping teachers with their investment and insurance plans for over a century now.'

Thus, the reader knows more about you, realises why he has never heard of you before and the mention of the century in business shades into *conviction*, another of our key objectives. The sentence also implies a saving, and capitalises on teachers' well-known dislike of advertising: it gets a nod.

In the next paragraph of our letter we go on to say: 'Over the years, we've helped many thousands of NUT members,' and so on.

As you see, nothing in this sequence is unclear or tricky. Each point logically follows the one before.

The assumption is simply that if the reader found the last thing you said relevant and interesting, then all you have to do is follow with something that explains or elaborates (without wasted words) and carries your argument forward.

You need an ability to get inside the skin of your prospect which I find few possess. You need to be able to write the telling phrase which only comes from deep thought and understanding of both product and market. Sometimes the phrase itself may have come from something you have heard your prospects say themselves.

Yet, difficult as this talent may appear, I know many clients as well as agency people who have it, if they will but bring it out. All of us need to communicate in business. So imagine that's just what you're doing. Don't be 'literary'; be straightforward. Imagine you are sitting across the table from your prospect, and speak in his language. Here is the kind of expression I've found helps:

Be straight-forward

- 'When we obtained the rights to a remarkable new product from Canada I thought of you immediately.'
- 'I think that the perfect chest of drawers should have six special qualities. I wonder if my checklist agrees with what yours would be?'
- 'I'd like to tell you about a remarkable breakthrough we have just achieved, which you as one of our customers are the first to hear about and benefit from.
'If you're interested, then I can tell you you're in excellent company, because already three of Britain's leading direct marketers have decided they can't pass this opportunity up.'
- 'I am sure that you, like me, are often assailed by people making "limited" offers of "unique" experiences; which is why I had quite a problem when I sat down to compose this letter to you.
'You see, I *do* have a unique experience to propose ... one which indeed will be limited to very few people. In fact only 700 will be able to join us on our 1985 World Cruise.'

Some good openings

I have already referred once to the matter of sloth. Once they've had the bright idea that got people into the copy, writers tend to be particularly lazy when it comes to describing the 'nuts and bolts'. But it is in the detailed explanation, the piling-on of facts, that people become convinced that what you say is true. You must work on this. Otherwise the sale will slip away. Tell people what it is you're offering in clear and unambiguous terms. Explain why it is better than alternatives (if any). Go into detail. Use all your persuasive powers, quietly and reasonably. *Not* with the hysterical enthusiasm so often found in copy.

Go into detail

Here's how I started to describe a bio-feedback device which was sold extremely successfully to previous purchasers by one of our clients:

This remarkable monitor actually 'teaches' your body to relax. You're familiar no doubt with the saying 'a healthy mind in a healthy body'. But only in recent years have doctors and psychologists learned how true this saying is.

Now it is possible, by measuring the stress your body is undergoing from minute-to-minute, to *train* yourself to relax.

And this unique device does it all for you, measuring how your system is physically reacting to surrounding pressures, and then enabling you to adjust your emotional reactions so as to relax easily.

And so on ...

Let me emphasise that *every* product – be it an insurance package or furniture – needs to be explained fully and properly. You must consider and

Explain fully

explain every possible advantage you can offer, and forestall every possible objection.

Thus, in the letter quoted above, I went on after the passage quoted to reassure people, for I knew the claim was hard to believe.

Impossible? I myself thought so until I actually placed this monitor in the palm of my hand and used it.

Desire – or want

I have used the word ‘desire’ in our formula, but you could just as easily talk about encouraging people to *want* what you are selling.

By this I do not mean the old canard put about by half-baked sociologists that we can ‘create’ wants that didn’t exist before. There has to be an underlying need for what you are offering, otherwise it will never sell. But the way in which you remind your prospects about that need, or amplify it, is very important. It’s usually done by the use of example, imagery and ‘word pictures’.

Better perhaps even than painting word pictures is getting people to try the product for themselves: this can be done if you send a sample.

Here is an extract from a letter I wrote myself some years ago to sell a fireproofing treatment. I’d got the client to soak the paper on which the letter was to be printed with the treatment and then stand it up and run a blowtorch along the top of the letterhead. The copy ran as follows:

Could a little arson improve your sales, your margins and your profits?

As you can see, the top of this letter has been burnt. Now I would like you to set fire to one of the bottom corners. As you can see, the paper chars but does not flame.

I then went on to explain that timber merchants (to whom I was aiming the letter) would improve the value of what they sold and become more competitive if they treated their timber in this way. In order to build conviction I simply obtained from current newspapers examples of horrifying fires which had been taking place, and gave information about the wave of new legislation which had just come in encouraging people to fireproof their timber. Here is what I wrote:

Relevant examples: timber

As you know – no matter what politicians say – the world’s economy is in a bad way. And looks like getting no better. People like yourself, whose businesses depend to some extent on the construction industry, are well placed to see this, because the construction industry is very sensitive to economic change.

Yet curiously, amidst this depression, some people in the wood and paper business are doing much better than others.

I travel all over Europe, viewing factories such as yours. Outside some there are huge piles of unsold stock. Outside others this stock situation is less depressing. And even in these difficult times they are making headway.

Paint ‘word pictures’

I am happy to say that many of these companies which continue to thrive are my customers. Which brings me to the reasons why I asked you to practise a little arson.

This letter has been treated with 'Fyreprufe' paper fire retardant to prevent it flaming. We also make a wood-fire retardant which will prevent wood burning.

And so on ...

Your reader can appreciate this. It talks about something he wants: he would like to be one of the timber merchants who are doing well. This copy incorporates both a word picture and relevant examples.

Here are some extracts from letters written for The Royal Viking Line, who sell extremely expensive sea cruises:

From the very moment you step on board one of our ships, you're pampered. A steward shows you to your Stateroom. We give you time to settle in ... order Room Service ... and relax, before inviting you to join your fellow passengers on deck for a big send off from port:

Champagne and a live jazz band spur on
the jubilant atmosphere. Waving crowds on the
quayside are showered with confetti and streamers
as the mighty ship pulls away.

There's no more exhilarating start to a holiday. And as you lean on the railing,
feel the quickening sea breeze ...

Here's another piece of copy written for the same client, selling a cruise to the Orient. We start creating desire on the envelope, with the line: "Like jasmine blossom carried away by the stream ... sail to a world of which you cannot dream." – Chinese poet Li T'ai-po.'

When we get inside, the overline to the letter runs: 'Mist-shrouded hills ... sampans silhouetted on silver rivers ... proud pavilions of red and gold ... rice paper screens dappled with sunlight ... incense drifting softly through temple courtyards ... quiet gardens of graceful willows and bubbling streams.'

For a product such as this, the ability to create images which build desire is quite clearly critical.

Incidentally, in this pack we placed a sachet of jasmine tea which showed through the envelope, and certainly helped attract attention. People imagine gimmicks like this do not work with sophisticated clientele. They certainly do: 8 per cent of those on The Royal Viking Line prospect list have titles – Sir this; Lord that; and so on.

Perhaps one of the greatest examples ever of creating desire for something comes from a famous advertisement written by John Caples 65 years ago – 'They laughed when I sat down at the piano'.

Here are two extracts from that ad.

**Expensive
sea cruises**

**Create
images that
build desire**

Then I Started to Play

Instantly a tense silence fell on the guests. The laughter died on their lips as if by magic. I played through the first few bars of Beethoven's immortal Moonlight Sonata. I heard gasps of amazement – spellbound!

As the last notes of the Moonlight Sonata died away, the room resounded with a sudden roar of applause. I found myself surrounded by excited faces. How my friends carried on! Men shook my hand – wildly congratulated me – pounded me on the back in their enthusiasm! Everybody was exclaiming with delight – plying me with rapid questions ... 'Jack! Why didn't you tell us you could play like that?' ... 'Where *did* you learn?' ... 'How long have you studied?' ... 'Who *was* your teacher?'

Remember the copy for the hotel advertisement I picked out earlier (see page 86)? As I pointed out, this advertisement positions the product very well, but it also creates interest, builds desire, instils conviction and asks for action through the offer very effectively – as well as using phrases which enable you to picture the hotel in your mind.

Demonstrate the product

Fairfax Cone, whom I have quoted elsewhere, once said, 'Advertising is what you do when you can't be there in person'; and of course if you were there in person you would *demonstrate* the product. That is why copy which paints word pictures is good copy. Here is an example which is not quite as old as the John Caples' advertisement but nevertheless dates back about sixty years. It asks the reader to compare the paper that they are using with a new, improved type. I think you will agree that after reading it you almost feel as though you have tried this product.

You can prove the excellence of our goods in a second; just tear off a corner of this sheet; now get a magnifying glass and examine both torn edges. You find long fibres – linen threads – on ours, while on yours the fibres are short, woody.

HOW TO BUILD CONVICTION

Writing copy to sell direct is the literary equivalent of having the kind of face that nobody trusts.

Readers are suspicious

First of all, readers know you're trying to sell them something. That alone arouses suspicion. Secondly, because you are not selling face-to-face, people are often even *more* suspicious. So this section is very important. It's an area, too, much neglected by lazy writers. Here are some ways to make your copy more convincing.

1 Make sure the tone is appropriate; and don't overstate

I once received a letter from a company talking about 'an exciting range of loans'. Ridiculous. I am intensely irritated by this sort of thing – copy in which

everything is superb, high quality, tremendous and fantastic. It belongs in a never-never land only inhabited by poor copywriters. Therefore, eschew superlatives. Don't bullshit people. Talking in a loud voice does not make people listen: it just annoys them.

Equally, this sort of copy is rarely appropriate either to communicator or audience, and thus lacks credibility. The copy must always reflect the source. Eg, if you are a bank, talk like a banker; if you are selling health products, talk like a health enthusiast. Just about the only product area I can think of where the copywriter's superlatives are appropriate is that of the used-car dealer.

And the copy must not only be appropriate to the source; it must also be appropriate to the audience. What is the right way to address your prospect? Once again, most writers behave as though they're addressing a group of subnormal teenagers.

Credibility is vital

2 Be specific

It reassures people that you know what you are talking about and that they will get exactly what you have promised.

So spell out your offer (and everything else) fully. Eg don't say: 'I will send you lots of lovely knitting ideas for an incredibly low price.' Rather, say: 'I'll send you 73 knitting patterns, plus 12 free books of hints for 49p a week.'

3 If the product is at all technical, give the specifications

Some people will want to know, and those who don't will be impressed anyhow. Always include exact dimensions and weights of products.

Ways to convince readers

4 If it is a compilation, like a record album or anthology, give every title

Thus you convince people that they are getting a lot for their money. And, of course, somebody, somewhere will be looking for the one you miss out, and you'll lose a sale. The one that would have made the ad a success.

5 Write in the present tense as far as possible

The words 'will' and 'can' and 'could' imply less certainty of benefit than the word 'is'.

As soon as you can after opening the copy, you must move into the present tense. Thus, you say: this product *does* this; you *feel* this; not it *will* do; or you *will* feel.

6 Make it sound easy

Don't talk about the buyer having to do anything – talk about the product doing it for them.

Thus, you do not *learn* to type – our course *has you* typing. (And, being *specific*, it has you typing in 30 days ... and being *convincing* ... your money back if it doesn't.)

7 Re-state your benefits before closing

This is 'make your mind up time' – so bolster their enthusiasm just before you ask for the money. Remind them what they get by replying, and what they lose if they don't.

The power of emotion

About 20 years ago, I was hired by a friend to work as a consultant to his agency. He introduced me to his staff as 'Drayton Bird – but you can call him Mummy.' The joke centred around a job I had done some years previously for the old Pritchard Wood agency. They had gained the Chambers' Encyclopedia account, but knew little about direct response advertising.

However, they put their top team to work on the job. One of them is now a well known TV commercials director. The other is widely regarded as the best creative director in Britain today – quite rightly, so he can afford this story.

They laboured long and hard, and created a beautiful full-page ad, which ran in the *Sunday Times* colour magazine. It had the headline: 'Do you have a bright child?' The picture showed a child looking out of the page.

The thinking was bang on target. The product was being positioned as an educational aid. And they addressed their prospects directly in a flattering way. But the headline must have been wrong, because the ad only attracted literally a handful of replies. It's the sort of thing that comes every now and then to remind us we are but frail mortals.

**Emotion
versus
reason**

The agency called in Bird, the man who specialised in the grubby business of mail order. (Our business really *was* the poor relation in those days.) I decided the previous ad was far too *rational*. I wrote an ad with the headline: 'Mummy, Mummy, I've passed.' The picture showed a child running up a garden path, obviously having just passed an exam, with the mother waiting to embrace him. The subhead said: 'What can you do to make sure this magic moment comes true for *your* child?'

This little gem appeared in a little eight-inch double column space. It got so many replies the salesmen couldn't cope. There is little doubt that the secret of this headline was that it *dramatised* the emotional moment when the benefit was realised; then it said something which made the reader want to go on.

I never got the chance to find out what would have happened to my other headline: 'Daddy, what's a hormone?'

However I did discover on a trip to

Australia that somebody in Melbourne is running the ‘Mummy’ headline to advertise prizes to be given to children who have excelled at school. It is easy to see the common appeal.

Most outstanding business thinkers realise how important emotion is. Once I spent a day with Dr Ernest Dichter, the celebrated proponent of motivational research. How he conducted his research I do not recall, but he seemed to have an intuitive understanding of people’s real motivations.

‘A convertible is like a mistress,’ he said. And: ‘People buy a car for that first 20 minutes when they drive around in it.’

A good story to remember when thinking about those inner emotional benefits is the one about the businessman who saw his friend stepping out of a brand new Rolls, looking as miserable as sin. ‘What’s the matter?’ he asked. ‘That’s a beautiful car.’ ‘I know,’ the man replied. ‘But I can’t *see* myself in it.’

Outstanding campaigns always find a way to exploit emotional reactions. Years ago I saw a presentation made by Leo Burnett in Chicago to the Harris Bank, an extremely conservative organisation. The team proposed the use of a cartoon lion called Hubert.

At the time this must have seemed the suggestion of a group of demented visionaries. In those days banks did ads that looked like mausoleums. In a brilliant dramatised presentation the Leo Burnett team made the point that nobody cares about a stuffy old bank – but everyone would like a trustworthy, courageous, lovable lion. The appeal was almost entirely emotional.

Hubert is still around. And now, over 20 years later we see another lion working hard for Credit Lyonnais in France, the Lloyd’s Bank black horse, and in the US again, one of the most successful financial animals of all time was a creature called Wally the Walrus. For the Marine Bank, he helped to pull in \$80 million in deposits in two brief direct campaigns in the early 1980s. Emotional, irrational appeals for the world’s most rational business, banking.

In creating attention-getting combinations of words and pictures, I counsel you to direct much of your effort to answering the single question: ‘How can I dramatise the *emotional* benefit of this product or service?’

THE NUTS AND BOLTS OF GOOD CREATIVE COPY

I’d like to turn to some of the issues that come up again and again when people are discussing what makes good and bad creative work. Starting with headlines.

Short headlines or long?

In the 1950s, one famous English advertising agency had a Hungarian creative director as an art director. He would produce a layout, go to a writer and say: ‘I want three vitty vords for the headline.’ Beware the three-vitty-vords system. Research shows that long headlines usually do better than short. Wit is often wasted on busy prospects.

**Long headlines
often work
better**

Here's a headline I wrote for Bullworker which ran unchanged for 14 years:

Britain's heavyweight weight-lifting champion 1962/3/4 shows *how these 7 exercises will build you a power-packed body in exactly 49 seconds a day* or all your money back instantly.

It showed a picture of my mighty friend Dave Prowse (later better known as Star Wars' Darth Vader) demonstrating the exerciser. It constantly proved a 'banker' ad, until they produced a new model of the product. Even Muhammad Ali, who was used in some ads, never did better except when he had a big fight on – context, again, being the reason.

Here are some other successful headlines, none less than seven words long.

Some successful headlines

Here's an extra \$50, Grace. I'm making real money now.

We travelled 2,000 miles just to save 2c.

To men who want to quit work some day.

At 60 miles an hour, the loudest noise in this new Rolls-Royce is the ticking of the electric clock.

You can laugh at money worries if you follow this simple plan. (This one, over fifty years old, was adapted a few years ago by a UK finance house. It worked.)

The amazing facelift in a jar. Used by Hollywood stars who don't want plastic surgery.

How to burn off body fat hour by hour.

The lazy man's way to get rich.

17 ingenious (but perfectly legal) ways to avoid paying your debts.

How to double your power to learn.

Research shows that readership of a headline drops from 100 per cent who may read the first two or three words, down to about 70 per cent who will read seven words. After that the drop is insignificant.

But we do not want 100 per cent or even 70 per cent of our readers to reply. No product can appeal to all those people at one time. We want a *small* percentage to whom we can make a *precise* offer. Precision is not often achieved briefly.

Persuasion is our goal

Of course, art directors love short headlines. It makes their layouts stark and dramatic. But drama is rarely what we want. Persuasion is our goal; and that takes words, not pyrotechnics.

Envelope messages

Perhaps the most common points of debate about *direct mail* are: what – if anything – should you put on the envelope? how many pieces should be in the package? how important are personalisation and gimmicks?

The purpose of the envelope message – if any – is not merely to get somebody to open the envelope. Most will probably do that anyhow. Human beings are generally too curious not to. The question is, will they be *eager* to open the envelope: will they open that envelope before the other envelopes? In other words, will the envelope message *set them up*?

The brilliant man who set the pattern for much of *Reader's Digest* activities in the United States, Walter Weintz, wrote an excellent book called *The Solid Gold Mailbox*. In it he states that what you do with the envelope will have more effect on success or failure than anything else, because it will single out that message from the many others you receive that day.

Others believe there is no need to put any message on the envelope because that tells the reader that a commercial message is inside, and this tempts them to relegate it to *after* other envelopes.

Frankly, I find this somewhat unconvincing: when they open the envelope, they will find out soon enough that the message is commercial. Therefore, why not use that envelope to create a favourable frame of mind? (I would enter a caveat though: if a prospect has received a stream of mailings from you with envelope messages on them, then there is no reason why a blank one should not, by way of contrast, prove very effective.)

America's best direct mail copywriter, Bill Jayme, told me that the envelope message was to start telling people what the subject was, so he didn't have to waste time doing so once they opened the envelope – he could get on with the persuasion. He also said rather more vividly that the envelope was 'the hot-pants on the hooker'.

I incline to his point of view. First of all, if there is some indication of what that envelope contains, of the subject it is going to cover, those who are not interested needn't waste any further time; whereas those who *are* will move forward into the package enthusiastically.

It has to be said that Bill Jayme has a substantial advantage in this area, because he writes very, very ingenious envelope messages. For *Psychology Today* magazine: 'Do you lock the bathroom door behind you, even when there's no one else in the house?'

Or for a holiday magazine: 'How much should you tip when you're planning to steal the ashtray?'

My advice to you is: first to ask yourself 'would this message *deter* people?' Then 'would it *encourage* them?' If the answers are 'No' and 'Yes', run the message.

Anything you can do on the envelope to impart urgency is worthwhile. For that reason, many mailings may *start* by asking for action with an indication that you might miss something if you don't open the envelope. That's why you'll sometimes see mailing envelopes bearing stamps saying: 'Offer closes in 14 days, please open now.' Or: 'Dated documents inside.'

On one mailing aimed at travellers, I put on the reverse of the envelope: 'If you are travelling within the next 30 days, open now.' A very

**How to
single out
your
message**

talented French direct marketing man, Bruno Manuel, once put a message on the envelope saying: 'Do not open until Christmas.' As he rightly surmised, this had precisely the opposite effect. People couldn't resist opening.

Sometimes the type of postal indicia used can lift response. In the UK, certainly, you are allowed to design (within certain guidelines) your own postal mark on the envelope. Attractive ones seem to lift response slightly.

It's difficult to predict what will and what won't work. For instance, generally speaking, a white envelope will do better than a manila envelope; and a brightly coloured envelope will often do better than a white one. If, however, you wish your mailing to have a quasi-official appearance, then a manila envelope may be the best approach.

What is more, human beings are very strange. One client a few years ago tested an envelope which required the customer to buy their own stamp against his usual reply-paid envelope. Believe it or not, the reply-paid did not win this test. However, six months later in the same test to the same list, the figures were reversed. This is the sort of frustrating oddity which makes strong men weep.

Personalisation and gimmicks

A while ago, I received a mailing containing two tombola tickets and a winners' list, which I opened to see if I had won or not. I had, of course. I pondered for a second before deciding I was not really interested in the wine being sold, and would not respond. Consumerists speak of gimmicks – especially sweepstakes, competitions, free gifts and heavy personalisation – as the latter day equivalent of the Bulgarian atrocities the great prime minister Mr Gladstone used to get so wound up about a century ago.

If we must look for social evils against which to pit ourselves, this sort of thing is a puny target indeed. Such devices are harmless tricks.

If you don't like them, you don't have to pay attention to them, just as if you don't like obnoxious TV quiz programmes you don't have to watch them. Why people get so excited about them is a mystery to me; I very much doubt whether ordinary people give a hoot. Some say they insult people's intelligence. Many intelligent people would never dream of visiting a fair-ground, whereas others (amongst whom I confess I am numbered) still get childish delight from being whirled around on the waltzer and terrified on the Ferris wheel.

Appropriately, Americans refer to many of these devices as 'bells and whistles': the sort of thing that used to attract attention to the circus when it visited town. I liken them to the fanfare at the beginning of a public event: they draw attention to what is about to come.

There is a certain type of personalisation which falls into this category. When it was first tried it increased responses by as much as 50 per cent. People like to see their names. The bigger the better. So one mailer sent out an order

**Harmless
tricks that
work**

**Attract
attention**

form with the recipient's name in huge letters on it. He got hardly any responses. When he researched to find out why, he discovered that people loved the personalisation so much they were pinning the order forms up on their walls.

Often, of course, a mailing will try to make the personalisation unobtrusive, so as to look as though it really is a personal message. This is seen by the recipient as a sign that the mailer has taken the trouble to address him by name. It is really courtesy.

However, the reason why all personalisation tends to work is simple. Byron put it one way many years ago: 'How sweet it is to see thy name in print.' But, let's face it, we like to be addressed by name and have our preferences recognised. What, after all, is more gratifying than to walk into a restaurant and have the owner say: 'Good evening, Mr. Bird. I have reserved your usual table by the window.' From the highest to the lowest, we all respond to this sort of thing.

All these attention-getting gimmicks are employed because they work. Take, for instance, plastic cards with your name on them showing through the envelope. We tested this six years ago and found these cards increased response in one instance by 70 per cent. One of the card manufacturers claims that they can sometimes increase response by as much as 200 per cent.

Appropriate gimmicks often work. A few years ago, a Norwegian company had a problem. They had been looking for investors. Several mailings had been tried. All had failed. They had almost given up, but made one last attempt. They sent a mailing to tell people they had not gone out of business, were still there and still wanted money. Inside the envelope was a little plastic frog with a spring inside. When the envelope was opened the frog popped out. The message to the recipient was: 'Hop to it! Act now.' The little gimmick dramatised the thought of hopping to it, and also the thought that the company was still around.

The mailing was not targeted at giggling teenagers, but at financial organisations, and the subject was related to computers. It was a howling success when no less than *eight* previous mailings – all more serious – had failed.

**Appropriate
gimmicks
work**

Why gimmicks work

Many of these techniques were arrived at by thinking about people and how they behave. For instance, *Reader's Digest* arrived at the concept of the YES/NO alternative through reflecting upon the difference between those people who were replying to their mailings and those who weren't.

There was obviously a minority of people who were really interested in what they had to offer and did order. The majority – maybe 90 per cent – didn't respond. People at the *Digest* wondered about these non-responders. There must have been many who were *willing* to respond but couldn't make their minds up. Thus was born the concept of YES/NO. The idea was to force

people off the fence. And it worked. Of course, they got plenty of NOs; but they got more YESs too.

In my experience this is always the case. And it has the subsidiary benefit that next time you mail the same lot of people, you can eliminate the NO responses, save money and get a higher overall response. This is a *very* simple use of regression analysis.

The concept of YES/NO/ MAYBE

This concept was developed further by a copywriter called John Francis Tighe in America, who introduced the idea of YES, NO or MAYBE. He was selling a publication and the MAYBE sticker gave you the option of saying, ‘Well, I’m not really sure, but send me a sample copy anyhow and I’ll see what I think.’ This also worked. In mailings for my own agency, I gave four options: Yes; No; Not now, but keep in touch; and Right idea, wrong person.

Equally, the sweepstake works because – who knows? – you might win. Just as, when you go to the fairground sideshow – who knows? – you might win a goldfish.

Any device which creates involvement helps. The stamps you peel off and stick on order forms work. So do little rub-offs and things that show through envelopes indicating that something interesting is happening inside. Equally, touches of humanity help, like handwritten notes in the margin.

Involvement devices work

Some forms of involvement device work for more than one reason. Take those stickers. The idea of taking the trouble to sign your name and commit yourself overtly to buying a particular product or service is much more painful (and takes more effort) than simply moving a sticker from point A to point B on an order form. This sort of psychological ploy works in every sort of market, not just amongst the hoi polloi. *Fortune* magazine, for instance, uses stickers. The only thing you have to take care with is the style of language and the look of the piece when using these approaches to more sophisticated audiences.

How many pieces?

I used to spend a lot of time lecturing each year, particularly for the Institute of Marketing near London. At virtually every session people questioned the need for a large number of pieces in an envelope. It is as natural as it is to question whether letters should be long.

More chances to make a sale

My early adviser Bernie Silver showed me a mailing package out of which tumbled eight pieces (two of them different types of order form). I couldn’t believe it. When I asked him for the reason, he laughed and said: ‘One piece in the envelope means one chance to make a sale. Eight pieces means eight chances. They’ve got to say “no” eight times.’

This reasoning was validated for me many years later when I heard of some research conducted by one large company which learned that each piece in a mailing package is looked at for about three seconds before being discarded.

More recent research, where Ogilvy & Mather Direct filmed consumers (unbeknown to them) looking at direct mail, revealed that they tended to spend

very little time on packages which only had one or two pieces in them. On the other hand, one of the pieces tested – a mailing for Dove soap, with a large number of pieces inside it, including a sample of the product – gained their attention for as long as five minutes.

Just as interesting, perhaps, is a simple look at the finances of direct mail. I am not going to give actual figures, since they keep changing because of inflation and obviously vary from country to country. However, the point is that the principal costs in a mailing are *fixed*. There's nothing you can do about them. You have the postage – a huge element. Then there's the envelopes. The list rental. Handling charges and other unavoidable overheads.

When you add up the figures, it may cost you only 35 per cent more to send out a 'rich' full colour all-dancing, all-singing package with lots of pieces than to send out a 'poor' two-colour affair. The question you have to ask yourself is: which will do better for the investment?

Unless you are only going for an inquiry – and certainly if you are going for a serious sale – the answer is usually the rich package. You're getting more opportunities to sell for your money, once people have opened the envelope. If they're *not* interested, they won't look properly at any of the pieces. If they are, they'll spend lots of time with them.

Your objective – to seize attention, and retain it – may not differ, but because of the ways in which people *experience* different types of communication, the way in which you actually go about this will.

Thus, a television commercial or radio commercial can only be seen or listened to from beginning to end. They are linear communications. But a press advertisement does *not* have to be seen in any particular order. Probably the headline will be seen first, in conjunction with the illustration. After that you can't guarantee where the eye goes. This is why you should make sure the layout is such that wherever the eye lights there is something worth seeing: a caption, an interesting little picture, some quote perhaps from an authority on the subject, an appealing guarantee – anything calculated to attract and retain interest.

**People
experience
different
types of
communication
differently**

Pieces working together

A mailing package presents the same problem on a larger scale. It may have as many pieces of paper in it as you wish, but you can't guarantee which will be looked at first, or how. One thing is certain: you'd better make sure that *every one* of those pieces of paper is planned carefully to attract attention.

If you have a singly-folded leaflet, the headline on the front and the illustration accompanying it must attract attention. But don't forget you can't *force* your reader to look at the *front* first. They may look at the back. Make sure there is something appealing there, too.

They may look at the order form first: make sure that's doing a selling job. And they will almost certainly read the letter. That, too, must do an effective job. US research some years ago suggested that more people start

People start where they please

with the PS in the letter than anything else in the mailing. People start where they please.

It stands to reason that in this business, like any other, you will learn much by watching what others do. Looking at lots of mailing packages teaches a lot. You will soon notice how in successful mailings the various elements work in concert.

The brochure will normally describe the service and display the merchandise – it is like your shop. The accompanying letter will be the salesman, who shows you round and points out the finer aspects of what is on offer.

There may be a second letter (a ‘lift’ letter as it is known) from someone more impartial, giving you friendly advice. Or, like the shop manager reassuring you, saying ‘Don’t worry – we’ll always do what we promised, you can depend on us. You can bring it back if you don’t like it. We’ll gladly exchange or refund.’

To add conviction there may be a testimonial sheet. Or some examples of how the product has helped others. Or a newspaper clipping. Or all of these.

Remember, a mailing (or insert or door-to-door piece) can contain anything you like – it’s up to you to find out what works best.

Note that a letter in a mailing package should *look* like a letter, using typewriter or word processor script. Too many times printers produce them in a printer’s type. That’s not what your business letters come looking like. Why should mailing letters?

Avoid conflict within the message

One great sin to beware of: putting in messages which conflict with each other. The whole must have a cohesion and consistency. Many unsuccessful direct mail packages fail because the message on the envelope is not followed up logically once you open the package. The creative people have had another idea which they like just as much, and which they are unwilling to jettison. This is a common error to be guarded against.

Another common error is slavish adherence to the order AIDCA. The various components should be included, but need not necessarily come in precisely that order. As I’ve already indicated, you can ask for action on the envelope. (Though you would be very unwise if you did not also start by attracting attention, and *crass* if you did not ask for action at the end.)

CREATIVITY IN ACTION

Inserts: quite similar to a mailing

I am often asked how you approach creating an insert, as opposed to a mailing or an advertisement or, for that matter, a TV commercial. I start by looking at the context. How likely is it that anybody is going to look at it in the first place? Is it going to be really difficult to attract attention? And, once you’ve attracted attention, what do you wish to do next?

How does an insert differ from a mailing? In my view, less than you might think. A mailing is pretty intrusive. The majority, even in a heavily-mailed country like the United States, still get opened and read. The question is: with what degree of interest? It is here that your skill comes in.

An insert is not as intrusive. In an insert you will almost certainly have precisely the same overall message as you would in a mailing for the same product – save that it's all contained in one piece. (That is, unless you choose to make some sort of letter part of the insert – or even make a letter itself the insert, which has worked very often.)

As I have already suggested, there is no guarantee that anybody is going to look at what you have fondly designated as the front of the communication as opposed to the back. Therefore, both sides must work equally well, as with a leaflet in a mailing pack. This applies whether you are talking about a two-sided insert or a folded insert. In the case of the latter, however, the messages on the outside should be designed to encourage people to look inside. They have something in common with envelope messages for mailings.

Equally, you could say that the outside of an insert can be viewed in much the same light as the headline of an advertisement. In both cases the task is to get people reading.

Think carefully about how your prospect or customer will look at that communication. By doing that you will be able to visualise what you ought to do. For instance, pick up the insert. Look at it. Would you want to open it? If you were the prospect, what do you think you would do if you received something like that? Then apply the same rules as to an ad or a mailing – does it contain all the elements of persuasion in AIDCA?

I have observed elsewhere that research will tell you a great deal about how people are likely to pick up and read your communications. It does not cost much to arrange for typical prospects to sit and look at your insert while you watch. Even asking a colleague to do so will reveal something.

The telephone

I am concentrating here for the most part on print media: direct mail, advertising and inserts – and particularly on the major problems of getting ideas and gaining attention.

With the telephone, there is no problem gaining people's attention. When the phone rings they pick it up. Or, if it's an inbound telephone call, they have taken the initiative themselves. They are interested to hear what you are going to say anyhow.

However, the telephone is unique: it is a two-way medium. It is also very expensive. You are paying all that money for the fact that, as long as you are polite, people will listen to what you have to say. So make sure they get the right message. This means, above all, having a professional script, delivered professionally. Relying on amateurs is not likely to work. (More on this in the chapter on media.)

**What to do
with an
insert**

**The
telephone is
a two-way
medium**

Telephone scripts allow for interruptions and reactions. This is not an inconvenience: it is a great opportunity as long as the script is planned properly.

Scripts should be divided in two. One side is the script as planned. The other is a series of pre-planned answers to questions and objections. The script will evolve as it is used, being adapted according to the reactions it receives.

My advice on telephone is to go to professionals. To begin with, get them to do the job for you, and then at the very least get them to train your own people.

The two biggest telephone sins: treating people like morons; and not giving them a chance to reply. If you simply read out a script without allowing for any reaction, you learn nothing. You might just as well send out a mail shot.

Catalogues: the visual reigns

Catalogues, being entirely visual, are apparently the medium with least in common with the telephone but they have a similarity when it comes to the creative approach. That is, you don't have to worry about getting attention. Usually they have either been requested or they are received with pleasure. The challenge, therefore, just as with the phone, is to exploit that attention – to *keep* people interested.

Keep people interested

In one other respect, catalogues differ from most other media apart from posters. The pictures are more important than the words. However, every word must count. Trying to describe the product in the minimum number of words, every one of which must justify its place, is splendid training. It takes exceptional professionalism to do it well. Few can.

It also takes exceptional professionalism to come up with an unusual catalogue approach. Often because catalogues are thrown together as cheaply as possible, the result is what you would expect: rubbish. But paying a little more, and spending more time thinking about how you can differentiate yourself is of exceptional importance. It really will pay off for you.

For instance, the Banana Republic Catalogue in the United States was the foundation of a business which was exceptionally successful in mail order, then moved into retail, and is now going international. This was achieved by breaking most of the accepted rules for catalogues. Thus, drawings were used, rather than photographs. There was a lot of copy, developing a narrative line based upon an imaginary republic. The catalogue was entertaining, as well as selling.

The best catalogues seem to develop their own style and tone of voice. They are often chatty, friendly, frank – like a good salesman in a shop. Here's an extract from the Land's End catalogue to show you what I mean.

Good catalogue copy

When we first offered a Mesh Knit Polo shirt back in the 1970s, some suggested that we embroider some little logo on our garment, citing the competition's fondness for equines, canines or reptiles: 'Why don't you follow their lead?' they asked.

Frankly, we thought – and still think – that the competition should follow our lead, and pay more attention to the things that really make a garment better.

Things like fabric. We use only 100 per cent cotton that is combed for softness and treated to reduce shrinkage. Or colour – we offer nineteen, each and every one created with superior, fiber reactive dyes. These dyes bond chemically to the molecules in the cotton, giving you colors that don't fade away after only a couple of trips through the washing machine.

As you can see, this is very persuasive copy. It is also beguiling and even witty.

This leads me into the first of 15 suggestions for improving your catalogue.

1 Find a way to make your catalogue different

Certainly make it different visually, and try to make it different verbally, too. Develop a *character* for it.

2 Catalogues should not be impersonal

Some of them read as though they are produced by computer. Your catalogue should have an introductory letter to establish a relationship between company and buyer. The letter is best as a separate piece, not just a printed section inside the body of the catalogue.

3 Position is vital

Your letter, for instance, will almost certainly do better bound on to the front cover, just revealing the merchandise beneath, rather than looking like a printed piece inside the front cover. Your order form – better bound in than floating loose – should be constructed so that it is easily seen.

4 The cover is your prime selling spot

Tests show that whatever is on there will sell at least three times as well as if it were in the body of the catalogue. So you have to have good reason not to use the cover for merchandise.

5 Space is at a premium in a catalogue

Areas given over to 'mood' shots are usually not selling. Build mood into your overall treatment, don't just ladle it in at intervals – it's wasted space.

6 Don't underestimate the number of items you can get on a page

Properly planned, it can accommodate more than you think. Pages with few items usually won't make as much money as those with many – so you must have good reason for reducing numbers, eg a product that sells extremely well.

7 Create changes of pace and interest

Put in little ‘hot’ spots that make people open up on certain pages – like pages with heavier weight paper, gatefold pages and, of course, the order-form pages. Testimonials will also add interest, especially if you put people’s faces in them.

8 Every catalogue entry should be a ‘mini-ad’, with its own headline

That’s because your catalogue can point to what will work for you in ads or mailings. Beware, however: some items that do well in a catalogue don’t do well on their own. I don’t know why. Maybe they’re just gregarious.

9 Use the same style for your catalogue as you would use for other communications

One client of ours used to use a different style of copy, headline, photographic treatment and even typography for his catalogue to the one he used for his ads. He could never understand why items that did well in one medium so rarely did well in others; nor why he got relatively poor results from his catalogue when sent to his ad respondents. People who have responded to one style of presentation will not necessarily react well to another.

10 Photographs usually, but not always, do better than illustrations

They are more credible. If using illustrations, make sure they give a very detailed impression of the products. The principal reason why some prefer illustrations is that they add character.

11 Pay great attention to the order form and how it is planned

Making it easy to order, just by checking a few items and having the customer’s name already filled in, will have a critical effect on results. Study the order forms of good catalogues.

12 Reminding people how to order frequently throughout the catalogue pays

When they’ve seen something, they want it *now*.

13 Great care must be taken to ensure that the captions (and prices) are easily related to items

It's infuriating for people when they have to *hunt* for information.

14 Catalogue results can be boosted enormously (sometimes over 50 per cent) by the use of contests and sweepstakes

15 For reasons of finance and logistics, it usually pays to use as few photographers or illustrators as possible

Broadcast media

What you can do in broadcast media is affected clearly by the very limited time those media allow. That time is itself governed by another factor: you have to allow a sufficient period within the commercial to give details of how to respond.

Television is watched with a fair degree of attention by its audience. This is one of the reasons for its power. You don't have to do anything *particularly* startling to attract attention. (Though this doesn't mean you shouldn't try.) The challenge is, having opened the commercial, to build people's interest.

Here are three basic things to remember about TV or radio (bearing in mind that radio is TV without pictures). Here, once again, you're trying to create pictures inside people's minds.

First, you must seek a single, simple, central idea.

Rosser Reeves in his book *Reality in Advertising* uses the expression 'there's only so much room in the box'. People can rarely take on board more than one simple idea in a commercial. You may buttress it with supporting facts, but don't try to introduce any conflicting thoughts.

For example, *Reader's Digest* has for some years used a brief commercial to tell people that a mailing is going to come through their door offering them a chance to win a sweepstake. In the UK the simple idea here was to put a former newscaster in front of the camera and let him tell people. This gave the whole thing credibility. The only time we moved away from the central shot of this newscaster was when showing the mailing coming through the door.

Again, if you look at the commercial I have illustrated for Time-Life (see pages 245–46), you will see that the simple idea is just to put a lot of scary things on the screen in a logical sequence, which demonstrate the content of the books being sold.

This brings me to the second cardinal principle: never forget that TV is a *demonstration medium*. In the case of the commercials I have mentioned above, the first commercial demonstrates the mailing arriving through your

**Build
people's
interest**

**A single,
simple,
central idea**

**TV is a
demonstration
medium**

door; the second one demonstrates the content of the book. Indeed, the very first successful television commercials were made by somebody taking street corner hucksters selling food processors and similar gadgets through demonstration, and sticking a camera in front of them. It worked beautifully.

In the case of radio, demonstration is perhaps best used when selling record collections, which are clearly made for the medium.

**Entertainment
should be
derived from
the sell**

The third thing to remember is that if you are going to be entertaining, that entertainment should be derived from the sell. It should not be inappropriate. Thus, in the case of the food processors I have just mentioned, after doing straightforward pitches for the product, it was decided to try using somebody *entertaining* to demonstrate the products. The agency very wisely didn't build in entertainment for its own sake: they got a well-known cookery expert, Richard Simmons, to do the commercials. He was quite funny, but he was talking all the time about the product.

Whereas, when *Reader's Digest* tried to run a funny commercial with speeded up film of people running to the post box to post their entries, the gimmick overcame the idea. It didn't work.

Here are some of the points likely to make your broadcasting work more effectively:

**Pointers for
effective TV**

- Are you really exploiting the medium? For instance, if you're on TV, is it truly visual, or just words set to pictures? If you're on radio, is it just words or are you using the medium properly to conjure up images in people's minds?
- Is there a key visual or sound which acts as an mnemonic device to fix in the memory? Have you repeated it?
- Is the product the hero – or is the execution?
- If there's music, is it relevant or just gloss? The same applies to any visual device. Everything should be essential to making the commercial work better.
- Do you get straight to the point? You have limited time: get people involved instantly. In particular, a dramatic opening at the beginning of radio commercials to set them aside from the tapestry of sound – a loud noise, a fanfare – are obvious things. A challenging statement is another, or some tricky form of delivery like somebody speaking very fast.
- Does the product or service solve a problem? If so, is it shown clearly?
- Have you made it clear this is a direct offer? Preferably at the beginning, so people know they have to take note of somewhere to reply to.

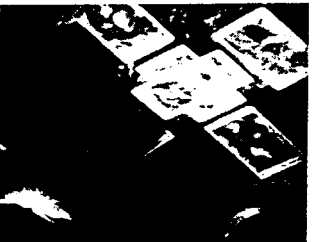
TWO SECRET INGREDIENTS

Two ingredients for successful creative work are rare – yet perhaps most powerful of all. They are *genuine* involvement in the topic and *enthusiasm*.

**Show
genuine
involvement
and
enthusiasm**

You encounter these most often amongst copywriters who also happen to be the proprietors of their own businesses. My favourite example (but then I am biased) comes from my own mother. At the age of 67 she started running a charity which rescues homeless animals. I kept on telling her she ought to

Illustration



Video

Man's hand stroking a glowing rabbit's foot.

Man at table knocks over salt shaker and throws pinch of salt over his left shoulder.

Black cat in front of fire place hesitates, meows, runs out of frame.

Woman's hand mirror falling to the floor. It shatters; fluttering calendar page showing Friday 13th; knuckles knock on wood.

'Wizard's worktable' filled with books and occult objects. Cover opens by itself, pages begin flipping quickly by. Camera moves in on werewolf illustration.

Book visuals: Dragons; Dwarfs; Fairies and Elves; Night Creatures.

Darkened hallway. Wind stirs curtains ... a ghostly figure moves towards you from far down the hall.

Book visuals: Ghosts.

Audio – Male voice over

'A rabbit's foot, carried luck ...

a pinch of salt, tossed over the shoulder ...

a sense of foreboding at the sight of a black cat ...

Are they harmless superstitions – or reminders of a darker time when the world was young, nature seemed all-powerful, and humble charms were man's best protection against unknown evil?

Enter The Enchanted World ... a spellbinding series from Time-Life Books that probes the forgotten origins of the world's strangest curiosities.

In each lavishly illustrated volume, you'll move through storybook lands where the original endings to the tales of childhood weren't always happy ones.

The Enchanted World takes you back to a time when restless apparitions drifted through darkened hallways ...'

Female reading passage:

'Some ghosts were nothing more than cold spots on floors or shadows in corners. Others took human form.'

Figure 10.2 Time-Life Books' 'Enchanted World'



Robed figure laying down Tarot cards.

Male voice over:
A time when men who called themselves sorcerers used the Tarot to prophesy the future ...

Male reading passage:
The Hanged Man, dangling from a gallows, was a sign of life in suspension, while the Death card indicated change ...



Traveller on foot at night on shadowy path. As he passes large tree, 3 pairs of eyes watch him.

Male voice over:
and a time when malevolent creatures were thought to stalk the night in search of hapless victims.

Female reading passage:
Unwise was the wayfarer who journeyed by night ...



Book visuals: Book of Christmas; Night Creatures.

for in the shadows greedy eyes glittered, claws curled, teeth clicked.



Wizards and Witches volume stands centre screen.

Male voice over:
Begin your journey through The Enchanted World with Wizards & Witches. Examine it free for 10 days. If you keep it, other volumes will follow, one about every other month ... Spells & Bindings ... Ghosts ... and Water Spirits.



Gnarled hand with large signet ring closes open volume on table, hesitates – and knocks wooden surface.

So enter the Enchanted World ... where anything is possible, and a little luck never hurts.

(The remainder of the commercial was devoted to instructions on how to respond)

Figure 10.2 (continued)

write to her supporters because she had spent all her money on this project and was getting desperate. So at the age of 71 she finally wrote her first piece of direct mail copy. I reproduce it below in its entirety.

Dear Animal Lover,

We are about to reach our second Christmas as a recognised charity. During this year and nine months we have rescued and homed over 925 cats and kittens, along with a number of dogs and puppies.

We have, with your help, been able to improve our cattery and the cats are now, for the first time, able to scent the fresh air and see the blue sky. Originally we had 8 spacious cages, two storeys high, down one side. With the help of donations and money raised by members at charity functions, we undertook the much-needed improvements.

We decided to close in August for two weeks except to the most needy cases, in order to carry out these alterations.

Firstly we built another 8 cages on the opposite side of the cattery, all with a removable perspex sneeze barrier, power point and electrically-heated bed. We then added a false ceiling for heat conservation. The rough concrete floor was covered with smooth asphalt for easy cleaning. At one end of the cattery the old garage doors were replaced by toughened patio-type doors to let in more light and these are left open when weather permits for extra ventilation. They now lead onto a high, walled-in 'adventure playground' which is escape-proof and fitted with platforms and a peep-hole.

Our second smaller cattery is next in line for up-grading.

I would like to add that except for the asphalt floor and the brickwork on the outside run, all this work was done by members and members' families.

We are now very proud of our cattery and, most important of all, it must add to the comfort of the cats while they are with us.

In March of this year we started to run an active neutering plan for the cats which come to us. Under this scheme we have neutered approximately 120 she-cats and 40 toms.

I would like to take this opportunity to thank you for your generosity for without your help we could not survive. As you will appreciate, our vets' and feeding bills are colossal and we have to struggle to keep our heads above water. Our members work hard and continuously, for nearly all have another job so their time is limited.

Finally, have a wonderful Christmas and a happy and healthy New Year.

Every one of these letters that went out raised £5. I sent the letter to David Ogilvy. He wrote back: 'Hire your mother.'

Why is it so good? Clearly, first of all it comes from the *heart* – the enthusiasm and urgency shine through. Secondly, she is able to give the *facts* because she is so intimately involved in what she is talking about. You can see the whole letter is peppered with details which add verisimilitude. And you can also see that her love for animals comes out in phrases like: 'for the first time, [the cats are] able to scent the fresh air and see the blue sky' – phrases that conjure up vivid pictures; pictures that move you to action.

**A wonderful
example
from my
mum**

**Enthusiasm
and urgency
shine
through**

**Take pride in
your craft**

The professional – the condottiere, as it were, who is writing because he has been hired to write on somebody else’s behalf – finds it difficult to summon up this degree of enthusiasm or to acquire this depth of knowledge. But it is the ability to do so which distinguishes the outstanding writer from the also-ran.

Where does this ability come from? In my view, from an emotional determination, born of pride in one’s craft, to align oneself totally with the client’s interests and do the very best job possible. This is an egotistical characteristic. It is the belief that one has the mysterious power to persuade other people to do what you want them to do.

Few people have it; but that does not mean to say it cannot be nurtured within you, and I am absolutely certain that a clear understanding of what you should and shouldn’t do to get good creative work is utterly essential.

For that reason, the next chapter will deal with *lists* of what works and what doesn’t – and why.

How to Make Your Creative Work *Virtually* Foolproof

*'There's no safety in numbers,
or anything else.'*

James Thurber

I live way out in the country in an old house.

One day, on my way up our long, overgrown drive, I glimpsed a sinuous, agile creature less than a foot long which darted into the undergrowth, then swiftly popped out its head to peep at us. It was a weasel. A cynic might describe the weasel as the patron animal of a certain type of copywriter.

'Weasel' in our business means a word or expression which the reader may not even notice, but which usually modifies the meaning of what is written to make it sound better than it is. Weasels are rarely noticed by the reader, and are designed to mislead without actually lying.

The word *virtually*, which I used in this chapter title, is an example; or the phrase 'up to'; or the word 'helps'. The latter is often used when making claims about beauty products, such as 'helps give you younger looking skin'. (Actually, even 'younger looking' is a weasel: people notice the 'younger', and don't bother too much about the 'looking'.)

Weasels work because people believe what they want to believe. That's one of the great truths of selling. However, when I read the other day about a new computer programme called 'Headliner' – described as 'thought processing software ... a series of linked databases for ideas', which writes headlines for you, I did not want to believe it.

My brain goes numb when I hear of such devices, but once I have penetrated the jargon and understood what they really are, I usually recover my sang-froid.

**Mislead
without
actually lying**

I cannot believe anyone will ever invent a machine that can produce good weasels; nor can I imagine any machine that can generate imaginative ideas – or for that matter evaluate them. And since everything we do in our business is based on getting and judging ideas, ‘I am encouraged to go on’, as Harold Ross of the *New Yorker* used to say.

If you have ever had to assess creative work, then you know how hard it is; almost as hard as thinking it up – but not nearly as much fun. No matter how tactful you are, the people who had the idea will never thank you for anything short of pure adulation.

One of the reasons why many people find it hard to separate the sheep from the goats in creative work is that it’s so easy to judge subjectively. Do you like the picture? Do you find the headline ingenious? Are you titillated by the snide remarks made about your competitors in the copy? All these are easy things to say ‘yes’ or ‘no’ to. Because people have no *objective* criteria, they tend to fall back on what they like – and often what they find original, strange or funny.

**Beware of
becoming
blasé**

The reason for this is that if you spend a lot of time (as we do) looking at selling communications, you become blasé. ‘Oh! Not another headline announcing a new product’ ... ‘God! Not another free offer.’ You’ve seen it all before – and you don’t want to see it again.

So you look for something different. Unfortunately, there is little evidence to suggest that something different necessarily sells, as we have already learned from the Ogilvy research mentioned at the beginning of Chapter 5. Your customers prefer you to be relevant, not clever or entertaining.

So, beware the siren call of the original.

Never is this truer than in headlines. For instance, I received a while ago a mailing from Barclaycard to tell me how I could use my card to get money out of cash machines all over the world. You might imagine a sensible heading to the leaflet would be: ‘Now your card can get you cash anywhere in the world’.

Nothing of the sort. The heading said: ‘The shape of things to come’. This was neither relevant nor original – indeed, it managed to be dull, whilst obscuring entirely what I wanted to know. The writer had undoubtedly started out by trying to be clever.

Of course, you can often afford to be as original as you like in general advertising. Your objectives may be quite other than those of raising sales. A significant proportion of people in general advertising are interested above all in gaining awards. Indeed, research in Britain in 1991 revealed that the majority of creative directors believed the aesthetic effect was more important than sales results. And marketing directors often want to run commercials which reflect their good taste, which their relatives and their friends at the golf club will applaud.

Unfortunately, their friends are not necessarily likely to be the same sort of people as our customers. What is greeted with squeals of delight by

sophisticates of the communications industry may be greeted by those who cough up the lolly with an uninterested yawn. Worse, it can ruin your business.

A few years ago a UK chain of retail stores hired the photographer Richard Avedon to take some pictures around which they would create some advertisements. His work was superb – and rightly acclaimed. He took a beautiful black model and posed her in some stunning and bizarre make up. The campaign was showered with awards – and sales plummeted. The agency lost the account. The client could measure what was happening in the shops, and was not too keen on going broke.

Because direct marketing reveals what works and what doesn't (often in a way which upsets sensitive egos like mine) bitter experience has given me a pretty comprehensive idea of what works and what doesn't. I have put together a series of laundry lists, therefore, to help you create more effective work, or if you are judging work, to judge it better.

I must warn you, though, that like most failsafe methods, these lists don't guarantee success. No two creative problems are identical; every market differs slightly from every other market; but the principles that make for success are usually the same. You are far more likely to succeed by using these lists; and when you decide not to follow their advice, at any rate you will do so *knowingly*, for good reasons. That's where your commonsense comes in.

**There is no
guaranteed
success**

Why formulae work

Despite what I have said already, you may still wonder whether working like this – to what is really a series of formulae – can help in something so quirky and personal as having ideas. Well, let's go back to the old definition of advertising being 'Salesmanship in print'. This is all very well, but face-to-face selling allows you to do things that are impossible when you cannot actually *see* the reactions of your audience.

For instance, I was once making a speech in Brisbane, Australia, at the height of summer when suddenly the air conditioning stopped working. I could immediately witness what effect this had on my audience: it put them to sleep. So I livened up my presentation.

You can't see the reaction of somebody receiving your direct mail shot or looking at your advertisement. You don't know what's going through their minds. And you can't vary your approach to fit in with their reaction. Once that mailing shot has gone out, it has gone out. Once that commercial runs, you can't change it.

The only exception is telephone selling. You can quickly evaluate the way people react to particular lines in a telephone script, and alter it accordingly. But even the phone is a very deceptive instrument. You might be talking to somebody on the telephone, and saying something you find very witty. The person on the other end may misunderstand it – being unable to see the expression on your face – and even take it as an insult. Indeed, because I have a strange sense of humour, this has happened to me more than once.

**A logical
sequence is
key**

A salesman with a strong personality can break all the rules and still succeed. Twenty-odd years ago I sent a man up to Birmingham to sell £3,000-worth of fire extinguishers. He was so ill prepared he didn't even know how much they cost – and had to ring me up to find out. But his personality overcame his lack of preparedness: he came back with the order.

You can't hope for miracles like that when addressing people in print or broadcast. You must have a logical sequence of argument. One that offends nobody, convinces as many as possible, and leaves out nothing which will help you achieve your objectives. For that you do need a formula – a set of rules.

You will notice that some of the points listed here are mentioned elsewhere in the book. This is because these lists are not just to be looked at but to be *referred* to. I am trying to include everything that's relevant. In any case, even though I'm very familiar with all these points myself, I still forget them very often – so they bear repetition.

A famous copywriter was once asked how he apportioned his time. He said: 'I spend 90 per cent of my time thinking about how to approach the prospect before I even start writing. And of the remaining 10 per cent, I spend about half the time writing the envelope message and the beginning of the letter. The rest is easy.'

When you see an ad or mailing you may be struck by the compelling language, the brilliant visual, the elegant typography. All these things, if they are effective, come not simply from technique, but in the first place from how the communication has been planned in advance. Like the inner structure, deep foundations and steel, which support a building.

**Proper
preparation
and careful
evaluation
are key**

All this comes from proper preparation and careful evaluation of what you have done before you send it out.

For this reason, the first of my lists is perhaps the most important. Not only the most important, but also the most neglected, because as I have already pointed out, people are often far too inclined to get on with the job before they should even start it. That's simply because writing and drawing can be much more fun than hard thinking.

TWENTY-FIVE POINTERS BEFORE YOU WRITE A WORD OR SKETCH A LAYOUT

Not only should most of the work be done before you actually start writing or drawing; it is also at this point that most things could go wrong. The questions I am about to cover are those which should all be incorporated in a comprehensive brief – but rarely are.

1 What is the background?

**Get a clearer
picture**

What's going on in your business; what's happening in the market? By outlining this you will get a clearer picture of the problems and opportunities

you face. Information about relevant reading and people worth talking to is always valuable.

2 What is the objective?

Gather names? Provide qualified leads? Make firm sales? Get free trials? Different objectives require different solutions. To give one obvious example, it requires a great deal more copy to sell something expensive than to get a weakly qualified enquiry.

**When you
need longer
copy**

3 How much can you afford?

This should not be an arbitrary figure, but related to what you think can be achieved: what percentage response you anticipate, or how many replies – both of which must be related to the margin you have allowed yourself; which in turn is related to how much you are prepared to pay to get an enquiry or customer.

4 When is it wanted?

Obvious – but never lose sight of the deadline. One common mistake is to leave the delivery of the work to the last minute, which doesn't give time for it to be properly reviewed and considered. This is particularly common in agencies, where there are many jokes about the work being handed to the account executive as he gets into the taxi to go to the client's offices.

**The deadline
is critical**

5 Are you clear on the positioning?

What will your message tell the prospect about your product or service? Does it fit in with your positioning? Or does it conflict?

**Appropriate
– or
conflicting**

6 Who are you selling to?

What are their hopes, fears, likes, dislikes, needs? Are they male or female? Young or old? Rich or poor?

Until you know these facts, you will not know what tone to adopt, let alone what to say. Try to visualise them, and think how they would talk, where they would live, and what they would do for a living, or for fun.

As discussed in the chapter on planning, 'who?' may well be the most important question of all in our business.

When considering your prospects, it is often worth dividing them into two types. First, the *natural* prospect. The person who is an obvious target for this product. Second, people who might be *persuaded* to buy. Beware of trying to kid yourself that what you are selling appeals to the whole wide world. This

**Natural
versus
possible
prospects**

is extremely unlikely. To all intents and purposes, if you have covered these two groups, you've done all you should do.

7 What is it? And what does it do?

Describe the product accurately

You'll remember I commented in the last chapter on how often people fail to describe what is being sold accurately. This failure often begins because an accurate description has not been written down at the outset of the job. Make sure it is.

8 What need in your prospect does your product or service fulfil?

Common human motivations

Here are nine basic human motivations. How many of them are relevant to your product or service?

People like to: make money, save money, save time and effort, help their families, feel secure, impress others, gain pleasure, improve themselves and belong to a group.

You might be surprised at how many of these motivations can justify a purchase. Consider our old friend the American Express Card. I have calculated that every one of those human needs, save perhaps self-improvement, can be met to some degree through the range of benefits offered to cardmembers.

9 What makes it so special?

What to say and what to avoid

Interrogate your product or service. How does it differ from alternatives? Is it better, worse, cheaper, dearer? Is there something new about it? Does it replace anything? And what does it compete with? All these factors will give you an idea of what to say and – equally important – what to *avoid* saying, or to argue against. Included under this heading of what makes something special can be some peculiarity to do with the way the product was discovered, or its background.

For example, I mentioned earlier a new kind of spark plug which was sold a few years ago. One interesting thing about this spark plug was that it was discovered by a World War II test pilot. You should always keep an eye open for something topical or interesting like this.

10 What benefits are you offering?

What it is and what it does

We covered this to some degree in the previous chapter. It is a very common error to talk to prospects about the characteristics of a product rather than the benefits: what it *is* rather than what it *does*.

Thus, when I was advertising the Business Ideas Letter, I could have said in my ad: 'Gives news of how other people are making money'. That was

the characteristic of the newsletter. But the *benefit* was expressed in a very successful ad that said: ‘Make up to £50 a week in your spare time.’

11 What do you consider the most important benefit to be?

If you can find one that is unique, that would be ideal, since you would have no competition. Often what you are looking for is a single benefit or a combination of benefits which you consider to be appealing.

Is there a unique benefit?

A good example is the calorie-coded Kathie Webber cookery cards for which I have reproduced a pair of advertisements in this book. The combination was that of learning to cook and health. When you have such a strong combination of benefits you may express them in more than one way – as I did in the second successful advertisement.

12 Is there a good offer or incentive?

The words ‘offer’ and ‘incentive’ are interchangeable: they mean what we are prepared to give if the customer will act. Don’t confuse this with a benefit, as some people do.

Always justify your offer. If you give something away without explanation, people assume – quite reasonably – that the cost is coming out of the value of the product they pay for. By implication you are degrading your product or service.

Always justify your offer

There are a number of possible explanations: eg, this is a slack time of year, so we are making an offer to keep our factories busy; or there is a recession, so we are prepared to offer a lower price; or we are willing to take less margin to gain extra business; or we’re making an offer to get you as a new customer.

Thus when the Consumers’ Association started using sweepstakes in the UK, they told the truth: sweepstakes attract so many people they are a cheaper way of recruiting new members – so you as a member of the Association ultimately benefit because they have lowered marketing costs.

Always try to link the offer or incentive to the desired action. Thus, you will give something if people reply quickly, or buy an extra item, or recommend a friend. The simplest reason for giving something I can recall is simply to say that people will receive something free ‘just for reading this letter’. Here are 19 offers you can make:

- Free trial.
- Easy terms.
- Pay no interest – or less interest.
- Free gift for ordering.
- Free gift whether you keep product or not.
- Sweepstakes entry.

Nineteen offers that work

- No deposit.
- Nominal deposit.
- Temporary price offer.
- Buy now – pay in a few months, eg pay for your Christmas gifts in January.
- Sale.
- Two for one, and variations of this.
- End of stock close-out.
- Mystery gift.
- More than one gift.
- Discount or gift for quantity.
- Discount or gift for buying in a certain period.
- Double your money-back guarantee. (You must always check on the nature of the guarantee for a product or service.)
- We'll buy back from you after a certain period. (Sometimes used for investment products.)

Once you have discovered the most important benefit you offer, settled upon your positioning, determined your target audience and how best to reach them, it is the offer which will make most difference.

One reason why it pays to put the offer at the beginning of the communication is because, as I have already pointed out, offers serve *three* purposes: first to get people interested enough to read; second to get them eager to respond. If you put an offer up front and you don't think it's going to make somebody start reading, it probably isn't good enough. The third reason why incentives work is that they give people an excuse, assuaging their guilt about buying.

There are two types of offer. One is an offer logically related to your product. For instance when encouraging people to enquire about a financial service, then a booklet on how to organise your finances is not out of place.

The second kind of offer has *universal* appeal, to match products which are of appeal. Take the *Reader's Digest*, for example. Their potential readers can be interested in practically anything, and come from all walks of life. One extremely successful offer for them was miniature rose bushes. Others that seem to do well include clocks, watches, calculators and luggage. Everyone wants to know the time, to work out things; and most people travel.

The importance of the offer is difficult to overestimate. I would go so far as to say – indeed I have often said in public – that if you were to set aside a little time each day to think up new offers, you would become obscenely rich faster than you might believe possible.

One offer I liked was made by Procter & Gamble for Crest toothpaste in the United States. They ran television commercials inviting people to join a scheme whereby they would go to a nominated dentist and have their teeth checked. They were then required to use Crest toothpaste for six months, before having a further check up. If the toothpaste did not live up to everything claimed for it, they could get back the money they had spent on it during that period.

13 If you cannot make a good offer, can you say something of exceptional interest or threaten a penalty?

Here are some examples.

- New improved product.
- News item related to your product.
- Prices are about to rise. Buy now. (An extremely powerful motivator.)
- We don't know how long we can hold this offer open ... prices *may* rise.
- Lots of powerful testimonials. Once, when unable to say anything else about a slimming product, I just filled a page full of testimonials. It worked exceptionally well.
- We're repeating this offer because it was such a smash hit last time.
- We only have a certain number in stock.
- Specially imported from somewhere else where it was a great success. (More convincing than you might think: a margarine called Krona became a best seller in England largely because commercials told how it had been a sensation in Australia – a land famous for its *butter*.)

**Other ways
to encourage
replies**

All the offers, or 'non-offers' mentioned in the last two points, are particularly relevant when planning follow-up mailings to enquirers or past customers. This is important to remember. There is more potential profit lying in inquiry lists and customer files than most firms imagine.

14 What lists, media or database selection will be used?

Have they been used in the past and if so what happened? Is there any particular group of people who seem exceptionally responsive, or unresponsive? This will usually give you a clue to the motivations of those you are communicating with, and help you find new appeals for special groups.

**What
happened
previously?**

15 What tests are you conducting?

Thinking up possible tests is of itself a natural route to good creative ideas.

16 Put the product or service to the test

It's a good idea to give the product to somebody who would be interested in that category of product or service. See what they think. If you are selling a service, put it to the test. This will often reveal interesting things – like the fact that it is not very well run, or the staff don't return telephone calls – or even

**How to learn
interesting
things**

answer them. Similarly, many companies send out requested literature either slowly or not at all.

17 Examples of previous promotions – those that did well and those that didn't

To see how relevant this is, let me tell you something that happened less than 24 hours before I wrote this passage.

What has been done before?

I was discussing with a friend an offer two of my creative colleagues had devised which I think will do a tremendous job for the brand in question but probably won't get a very high level of response. He revealed that he had tried a similar offer for the same client three years previously and it had produced only an average response.

I would imagine that somewhere in my client's files this information lies buried, but nobody thought to tell me. It certainly would have made a difference to our approach.

18 What about competitive material?

Surprisingly few briefs tell you what the competition is doing or give examples of their creative work. If marketing is, as is often suggested, like warfare, then this is the equivalent of going into battle without knowing anything about your enemy's dispositions or previous victories and defeats.

19 Proofs and testimonials

A lot of creative communications simply do not convince sufficiently. As I mentioned above, testimonials themselves are extremely powerful, and any reputable company normally gets testimonials automatically from satisfied customers. They should be carefully collected.

Ask people to tell you what they think

You can encourage testimonials, simply by asking people to tell you what they think, or by using questionnaires. You can ask them to rank your service from one to five – that sort of thing. Often it is possible to find scientific or impartial proof that what you say is true.

All these things give your product or service credibility – which is immensely valuable. The same applies to other sources of comment like celebrity endorsements and media comments. If you have any public relations running, then you must get good write ups or broadcast comment. Make use of them.

20 What about complaints?

I recently contributed to a series of seminars in Australasia. We used questionnaires to gauge the audience's reaction, and I was delighted to see that 98 per cent thought that our performance was either good or excellent. However I

learned more from the 2 per cent who disagreed. It will enable me to do better next time.

Do better next time

The same thing applies when selling something. Find out what people *don't* like, then you will know what objections to overcome. Obviously some objections are from cranks and must be ignored. But very often you will gain useful knowledge.

21 Any physical restrictions?

This is so obvious I am embarrassed to mention it. Sometimes there are restrictions for one reason or other on the size or shape of envelopes or advertisements. It is no use the agency coming up with some brilliant full page idea when the client has stated quite clearly that they want small ads. A few years ago a mailing produced by one of the largest agencies in the world, for one of the best known clients in a particular field, lost them the account. The mailing was brilliant but, unfortunately, it didn't fit through a lot of letter boxes.

Neglected details cost money

22 What are the terms of the guarantee?

Sometimes, as already observed, the guarantee can be of critical importance. Even if it is only there as a matter of reassurance, one needs to be aware of what exactly the terms are. Money back guarantees are very persuasive when you are making a claim that is hard to believe. Conversely, companies with very high reputations have actually seen their responses decline if they have emphasised the money back guarantee. Up to that point the reader has always assumed that company would do exactly what they had promised: emphasis on the guarantee raises doubts.

Where guarantees work best

23 How do people pay or reply?

Again, something so obvious it would hardly seem worth mentioning. Yet, for instance, telling people that they can pay by fax quoting their credit card number could have a very significant impact on your orders and profitability. In a campaign in 1990 in Hong Kong 28 per cent of all orders came in by fax.

Make it easy to pay

It is also useful to know how people have ordered in the past. How many order by telephone? Is there an 0800 number to make it easy for them? – that sort of thing.

24 What style guidelines are there?

Some companies have a very clear style that they aim for. When I worked for the Franklin Mint, I quickly noticed that they had a unique way of writing and organising their copy. I had to master this before I could write copy for them, because not only did they adhere to this style of language: their customers had

When certain approaches work better

grown used to it, and probably would have been put off by anything else. I have seen cases in the insurance business where responses were affected by how closely the creative approach fitted in with what customers expect from an insurance company. Approaches that looked 'commercial' worked less well than those with a quasi-official appearance.

Some companies have strong views on humour. American Express, for instance, do not like humorous approaches. I think they are right: money and finance are not funny.

25 Sacred cows

It is not at all infrequent for an agency to come up with what it thinks is a splendid approach to a particular problem, only to be informed by the client that the company doesn't believe in doing that sort of thing. One area is that of making specific comparisons with other companies. Some organisations love the idea of attacking their competition. Some consider it most ungentlemanly. As I have already indicated, I believe it all depends on how you go about it.

However, if the company has any constraints of this nature, the agency should be told about them in advance. This will save a lot of trouble.

Tell the agency your plans in advance

PLANNING YOUR CREATIVE TREATMENT

Back in 1957 when I came into the advertising business, the people who wrote and the people who drew were segregated. Generally I would write my copy and then it would be taken along to the studio, where somebody would put pictures to it. It was rare for us to spend much time talking about what we wanted to do. We worked in isolation.

In direct marketing agencies this segregation was given added force by the fact that copy has always been regarded in our business as more important than art. Now, it is accepted that two people talking together and exchanging ideas can often be more fruitful than each working in isolation. Indeed, it has now reached the stage where agencies frequently wish to hire a team rather than an individual. I think this is just as rigid as approaching the matter the other way.

Whether you are a team, or a lonely individual, here is a list of points to refer to as you work towards a good creative treatment.

The end of segregation

1 Your safest opening (though not necessarily your best) is your prime benefit and offer

On the envelope of a mailing. At the beginning of your letter. At the start of your brochure. At the commencement of your commercial. On the phone, too, once you have told the prospect who you are and what you are talking about,

The benefit and the offer normally come first

the benefit and offer are normally the first things you talk about. (Assuming your prospect has agreed to listen to you.)

2 Tricky, clever openings rarely work

Remember, the average ad is seen for perhaps two seconds, and each piece in a mailing package may be picked up and scanned briefly before the prospect decides to read or not. An *instant* statement, *instantly* comprehensible, is most likely to work.

Thus, one of the most effective headlines ever written in the insurance business is: 'Cash if you die. Cash if you don't'. Nothing clever about that, but it certainly got to the point.

But don't forget that teasers – as long as they are relevant – often work well on envelopes. As do broken messages, like the first half of a recipe, to which you can only find the conclusion by opening the envelope.

Get to the point

3 Seek a dramatic central idea; preferably one that works in words and pictures

'Unless your campaign contains a big idea, it will pass like a ship in the night,' said David Ogilvy. I have already quoted one such idea in the point above. Another was produced for a Xerox mailing which incorporated a stopwatch to dramatise the speed with which the product would be delivered (illustrated on page 191).

If you can have an idea which is both visual and written, perfect! And if that word-picture combination *demonstrates* – as the stopwatch did – even better (see point 5). Finding a strong idea is vital. That's why you shouldn't just settle for the first one you come across. If you only examine one idea, it's a little like buying one lottery ticket, when for very little more you could get ten – and multiply your chances. Seek plenty of alternatives. Work hard!

Word-picture combinations are perfect

4 Is it the right length?

When asked how long copy should be, one of my Indian colleagues says: 'How much string do you need to wrap a parcel?'

The length should fit the objective. A complete sale takes more persuasion than an enquiry. An enquiry about something important, where big money could be involved or a difficult decision has to be made, calls for more copy than where the matter is trivial. Obviously it's easier to sell something cheap than to sell something expensive, just as it's easier to sell a new product with no competition than an old product with lots of competition. However, a new product may require a lot of explanation if it is unfamiliar, whilst a well known product will require little.

One thing to remember is the impact of the brand name. If it is famous, you will require less persuasive copy than if it is unheard of.

The length should fit the objective

Because one maxim is that long copy always outpulls short, bad writers often write far too much. All you have to do is give *every* sensible reason why your prospects would want to act and overcome *every* reasonable objection to acting. Never use a single word more than required. In particular watch out for unnecessary adjectives – commonly words like ‘exciting’, ‘fantastic’, and the like.

5 Can you give a test drive?

Demonstrate the product

When preparing your work, remember what I said earlier: what would a salesman do? A salesman would try to demonstrate the product. Good communications do the same thing, either in words or in pictures or both. Sometimes a direct mail pack can *literally* demonstrate the product – as in the burnt letter featured in the last chapter. Nothing convinces more than an involving demonstration.

6 If your name is well known, feature it strongly

As I have pointed out to you, this could double your response. But make sure it is well known. Most people can only remember about three brands in a product category, until they are prompted. Even then they can usually only remember about seven.

Lead with the benefit and offer

For this reason, if your company is not well known, you will often find it pays to lead your letters with your benefit and offer (your ‘headline’) and put your letterhead at the *base* of the page.

7 In mailings, give great thought to the envelope

The 100 most successful mailings in the US

Remember the shape, the texture, the colour can all influence response. When wondering whether you should have a message on the envelope, remember that *normally* the answer is ‘yes’. The editor of ‘Who’s Mailing What’ in the US analysed the 100 most successful mailings in that country. Over 70 per cent had envelope messages. And don’t forget that texture, colour, shape and brand names can all be envelope ‘messages’.

Remember, the offer, or a hint of it, should usually go on the envelope, together with an indication that people must reply quickly.

Don’t forget that envelopes have fronts and backs and insides. If there’s a window envelope, there’s a space behind that. That should be used also.

Some mailers use the entire inside of the envelope to put testimonials on. I have also seen it used as an additional order form.

8 The letter is the key element in direct mail, the most personal part of the communication

The letter comments, amplifies, makes more human, ‘sells’ the facts in the other material.

People expect to receive a letter. They like getting letters. If you can't afford a costly mailing, then leave out the brochure, not the letter. (On one occasion an American insurance company left a beautiful horoscope brochure out of a birthday mailing to customers by accident. Sales jumped 25 per cent.)

You can get the best of both worlds by illustrating your letter – but make sure it's still in the letter 'convention' by using a typewritten script.

People like getting letters

9 How many pieces should there be in a mailing?

The principle here is similar to that governing length of copy. The more you have to say or can say, then very often the more pieces you can usefully put in. The common analogy is that the letter is the salesperson, whilst the brochure is like the store. This is not exactly true, but the brochure is probably going to put over the same arguments as the letter with illustrations and in a slightly different tone – it's just less personal.

It may be that you find the need for other pieces. Suppose you have a lot of testimonials or press comments: these could go on a further piece of material. Suppose you have decided to have a sweepstake; that may be featured in a further piece. I have already mentioned the lift letter which reminds people that the offer is so good they shouldn't turn it down (page 238).

These letters used to cause some amusement when first introduced. They always said on the outside: 'Only open this if you are thinking of saying *no* to this offer.' Inside the copy would begin: 'Frankly, I am amazed ...' whereupon the writer would express his astonishment that anyone should turn down such a great opportunity.

If you want to see how an elaborate mailing should be put together, look at one sent out by *Reader's Digest* or by *Time-Life*.

Overly sophisticated marketing people are cynical about such mailings. But from inside experience I know that every element has been tested and retested year after year.

They are probably not selling the same sort of product as you, but if you examine them carefully you will pick up a great deal about what to do and what not to do. One thing you should note particularly when looking at *Reader's Digest* material is how careful they are to tell – very often at the *beginning* of a letter – how easy it is to respond and exactly how to do so.

You will also notice that they lay overwhelming emphasis on the *offer*. Having done their best to create a good product, and having a fine reputation, they know as long as they illustrate and describe the product appealingly, *the* critical factor is the offer.

The letter is the salesperson – the brochure is the store

How to learn what to do

ELEVEN UNCREATIVE (BUT TESTED) WAYS TO MAKE YOUR LAYOUT WORK HARDER

We have now arrived at the point where copywriter and art director bring their individual talents and the techniques they have mastered to express your message as powerfully as possible.

Visual ideas and good design matter most

I have managed to pursue my own career so far without being able to draw anything except a cartoon of my dog. Thus, I may seem little-qualified to comment on what makes good or bad art direction. But I am heartened by the fact that a great many art directors I know (amongst them some of the best I have worked with) aren't too impressive when it comes to draughtsmanship. The reason for this is that it is visual *ideas* and *good design* which matter most.

Self-defeating layout formats

Unfortunately, just as the majority of copywriters direct a turgid stream of clichés at their unfortunate readers, so the majority of art directors hanker after self-defeating layout formats. If you look through any publication, you will see that over half the ads fly in the face of tested principles of visual comprehension. Or, to put it in another way, they are difficult to take in and difficult to read.

God knows, it's hard enough trying to entice people into paying attention to your message without making them struggle to wade through it.

Accordingly, here are some *facts* about what makes for easy visual comprehension. These statements are not based upon opinion, but upon research into what works and what doesn't. In particular, I would like to acknowledge the work of Colin Wheildon of New South Wales University. For two years he conducted research into the effect of layout upon comprehension. He worked with 224 subjects to discover what they found easy to read and comprehend, and what they didn't.

I don't suggest you follow these guidelines slavishly. But why ignore them unless you have to?

First, here are some ways to make life easier for the reader to take in your message:

1 Easy-to-read typefaces

Most daily newspapers are set in serif type, in caps and lower case. The type will be roman, and most of it will be set in black on white rather than reversed out. Most of the body will be in upper and lower case, not capitals. This is because these things are all easy to read. And that is because:

- The serifs – or little feet – at the bottom of letters line up to keep the eye moving horizontally along the line of type, rather than straying below to the next line. That's why if you wish to use sans-serif faces, you should have heavy leading between each line.

- The eye recognises shapes more than letters and a word in capitals has less shape than the word in caps and lower case.
- The eye finds it tiring to read reversed out type in any great volume. Reversing out of copy has been known to *halve* response.

The eye does not find it difficult to read serif italic type, by the way.

Let me emphasise, this is not a plea for the wholesale banishment of sans-serif faces, capitals or reversing out. I am merely suggesting you use these in moderation.

Use sans-serif in moderation

Wheildon found that on an A4 page sans-serif type reduced comprehension by 67 per cent. Imagine losing two-thirds of your readers – and your sales!

2 Clear contrast

Just as reversed out type is difficult to read, type set over tints or textures or colours, so that it does not stand out clearly, is even more difficult to read.

Equally, very small type is not a good idea: lots of people (including me) can't read it very easily. Indeed, around one person in ten has eyesight which is less than perfect. And when you consider that the difference between success and failure for an ad may well be 10 per cent, that's worth thinking about. And don't forget that older people, who have more money, have worse eyesight.

Ensure people can read the type easily

3 Don't change typefaces unnecessarily

Constant changes in typeface are ugly. If they happen to be in a headline, they are also confusing: your eye doesn't like constantly having to readjust.

4 Narrow measure

You will note in your newspaper or magazine that the words are split up into narrow columns. That's because the eye likes to travel down the centre of a column if it can, rather than having to go back and forth all the time.

If possible, don't set to a measure wider than about 50 characters. (You may ask why this book isn't set that way. Well, frankly, I don't know.)

5 Long unbroken blocks of type are hard to read

Big blocks of type are daunting. To the reader they look like great trudges through the desert. Moreover, when the eye first looks at a layout, it tends to skip around like a butterfly before settling at one place.

For that reason, you should break up your copy with lots of crossheads, subheads, and changes of width. This makes it interesting to look

Break up your copy

at. It also enables the reader to learn the essence of your message from the subsidiary headings, which should make it interesting enough for him or her to want to start reading the body copy.

To encourage readers to do this, it's often a good idea to have an explanatory subhead after the headline leading into the copy. A 'dropped' – ie oversized – initial capital letter also encourages readership.

6 Try to justify your columns

Don't make the eye work harder

Comprehension goes down if the edges of columns, either left or right, are unjustified – that is to say, ragged. Once again, this is because the eye has to work harder.

7 Huge headings are stupid

Don't waste space

Art directors tend to do layouts and then pin them up on the wall somewhere in order to review them. But people do not read these things from the other side of the room. Nor do they have arms ten feet long. Large headings are a waste of space and a waste of time.

8 A headline should be a headline, not a baseline

What reduces readership

Sometimes people design clever layouts where the headline is actually underneath the body copy. They turn them into baselines. You will not be surprised to hear that all this does is stop people from reading the copy at all. Wheildon found that readership was reduced substantially as a result of this practice.

9 Don't mislead the reader's eye

The eye is lazy

The reason for the point above is that putting the headline below the copy *misleads* the reader; and the eye is lazy: gravity forces it down, not up. In the same way, illustrative elements which point out of the layout – like people's feet, or the direction in which they look – lead the reader's eye out of the advertisement. Also, illustrations which block off a column halfway up the page will often discourage the reader from travelling further down. The reader may be tempted simply to move straight to the top of the next column, thus omitting the section *beneath* the illustration.

10 Make sure the coupon is easy to cut out

Don't maroon it in the middle of a page so that people have to make four cuts to get it out. And don't give it a fancy shape. The origami school of coupon cutting has never flourished.

I once saw an advertisement prepared by a very well known agency in which the coupon was designed in the shape of the product. Ninety per cent of respondents had gone to the trouble of cutting out this bizarre shaped coupon. I wondered how many couldn't be bothered. (And for God's sake don't print your coupon on a funny colour on which it's impossible to read the respondent's name and address. More common than you might imagine.)

11 Lay out your letters

In the same way that advertisements should be laid out to be interesting to the eye, so should letters, with the obvious difference that you are using typewriter face (which, again, should always be the serif face for ease of reading).

So, in your letters, use indents at the beginning of each paragraph, indent whole sections and use numbered points or asterisks, just as you should in long-copy advertisements and brochures.

The use of second colour, 'handwritten' notes in the margins, underlinings and the *occasional* word in capitals can all add variety and interest for eye and brain.

**Using
typewriter
face**

... and two qualifications

I seem to lay down so many rules that I realise I am in danger of being seen as an old curmudgeon. That's why I am at pains from time to time to emphasise that I am certainly not always right.

When considering layout and typography one has to say that views certainly vary. A traditional one – that typography is an art or science to help you communicate better – has been questioned. This questioning arises from one of two ways of thinking; and sometimes both. These ways of thinking are:

- That the typography itself by its appearance (usually bizarre, novel or even downright ugly) signals to the potential reader something about the nature of the product or merchandise or communication.

**Unusual
typography
sends a
signal**

Thus, on launching a publication designed to appeal to young, unconventional people (or at any rate people wishing to conform to a different convention) magazines have deliberately formulated a typographical style which flies in the face of just about every fundamental typographical given.

A classic example of this in the UK is the magazine *The Face*. Here, typographical styles – sans serifs, reverse outs, all sorts of eclectic design features – are used to signal the anti-establishment nature of the magazine. It certainly seems to work. The typography in effect is saying: 'Do you like to be different? Do you like to break the rules? Then join us!'

In a way, the people who read *The Face* have established their own new form of non-conformist conformity. However, in more recent years, even this magazine has started setting its stuff in easy-to-read serif face.



Captions are very important: they are heavily read.

This classic layout is by far the easiest for readers to follow.

This subhead makes transition into the body copy easier for the reader.

Dropped initial caps like this also lure people into the body of the copy.

Moreover, a short first paragraph like the one above makes it easier for people to get started on your story. And there are other things to remember.

For example, readers find it easier to take in short words, sentences and paragraphs - with the latter containing only one or two thoughts.

Why is this?

Because people are not really concentrating when they read copy, and won't make the effort to grasp difficult thoughts - even if they are intelligent, which many aren't.

Crossheads tell the story

Breaking your copy up with crossheads makes it far more digestible for the reader than one unbroken block of words.

The crosshead should not be clever or tricky, but should communicate and encapsulate the story for people whose eyes are hovering over your ad.

Many people imagine that advertisements are read religiously from start to finish. Would that it were so! In fact, readers tend to start where they please, and stop reading when they

please. Very few advertisements indeed get read in full.

Bold elements attract

We use bold elements - headings, illustrations, the like - to lead people into the advertisement. For that reason, all these elements must work very hard. Unless one of them catches the eye, your ad will fail.

The most important element is the headline/picture combination. Together they should communicate almost instantly what the advertisement is all about, and if possible demonstrate the benefits.

This is utterly vital, because research years ago revealed two important facts: first, most advertisements are never seen for longer than two or three seconds; and second, that most are never read beyond the headline.

Captions important

After headline and picture the things that people's eyes generally turn to most are captions. As children we learned to read by looking at pictures with explanations under them. So it is very unwise to have a picture without a caption.

Sometimes, of course, the headline

itself acts as a caption. Generally speaking, if you cannot find anything interesting to say about your picture, then the chances are it is not a good picture.

Bold coupons help

One element which will actually increase readership of your advertisement is the presence of the coupon. What is more, the bolder the coupon, the higher the readership and the response is likely to be.

Pay no attention to languid aesthetes who tell you that coupons will kill your image. I have yet to see any evidence to suggest this is so.

Sample coupon

Return address for the coupon

Name _____

Address _____

Postcode _____

Telephone no. _____

Figure 11.1 Layout styles

[illegible][illegible][illegible][illegible]

Figure 11.1 (continued)

One of the consequences of this form of typography is of course that to read a publication like this you have to make a real effort. Which leads us to the second theory of the new typography:

- You should be required to make a deliberate effort to penetrate the message. This extra effort means that the reader is more likely to take it in and relate to it more effectively by being more involved.

**Encourage
greater
involvement**

Candidly, I have no research to support either of these theses. Nevertheless, perhaps there is a certain logic behind them. And I certainly believe you should be aware of them. In any case, I think it is quite possible to combine unconventional approaches with legibility.

THIRTEEN ATTENTION-GRABBERS

Just as there are proven rules which make replying easier, there are many facts known about what tends to attract attention. Here are thirteen to remember:

1 'Busy' layouts often seem to pull better than 'neat' ones

**Techniques
that add
interest**

In one split-run test on catalogue pages, a 'busy' layout out-pulled a neat one by 14 per cent. So it would appear that those little flashes and panels that art directors loathe add interest. Where you can introduce them without making the layout look like a dog's dinner, why not do so?

2 Vary shapes, sizes and colours

Just as the eye is bored with regular shapes, people lose interest if all the elements in a mailing package are the same size and the same colour, or if all the mailings in a sequence are to the same format.

Vary your colours, vary your shapes, vary your sizes in individual communications and sequences. Try a huge typewriter face, or a giant order form – or a Lilliputian letter.

Experiment!

3 Of all illustrative techniques, the cartoon attracts most attention

However, see my comment below about photographs before you put cartoons in all your ads.

4 One large picture attracts more attention than lots of small ones

5 A picture of somebody staring out of the page at you attracts attention

People look at people: and men look at men more than at women – and vice versa. Similarly, women look most at babies.

6 Colour will attract attention

Is colour cost-effective?

But it is only appropriate where the product itself demands colour to convey its appeal. In a series of tests we conducted to sell records, colour was *not* cost-effective in four cases out of five.

7 Putting something odd into a picture will attract attention

One famous campaign which did this was David Ogilvy's for Hathaway shirts, in which the model always wore a black eye-patch.

8 Too many extraneous props divert attention

Make sure the product is the hero

So, make sure that the product is hero. This is particularly important in TV commercials. Make sure your *actor* is not more interesting than his *pitch*.

Even in an ordinary ad you can get some surprising results from using eye-catching props. I recall a campaign twenty-five years ago for a type of curtain material in which a cute teddy bear was used as a prop. More people wanted to know where to get the bear than where to get the product.

9 Extreme close-ups of a product attract attention

Make sure you can identify the product

But make sure that the close-up is not so close that you cannot identify the product.

10 Be careful where you put your headline

Where does the eye settle?

Tests with an eye camera revealed that the eye tends to settle naturally around the middle of the page. So don't put your headline at the top of the space, above the picture. Put it below. In a series of four tests, we found that response went up by between 27 per cent and 105 per cent in the latter case.

11 Use tables and graphs when conveying complex information

Tables definitely increase response where relevant. In an insurance mailing, response increased when the size of the benefit table was doubled.

12 It pays to use layout styles that make coupons look 'valuable'

Use the sort of designs that you see on currency.

Attention grabbers

13 But will they believe what they see?

Point 12 is an instance where a visual signal makes your message more convincing. Often, even if people are attracted by what they see, and assuming they find it easy to take in, they still may not believe what you have to say. Effective art direction can do much to add conviction.

- Photographs are more convincing than drawn illustrations. I learned many years ago that a photograph can sometimes increase response by over 50 per cent.

This is hardly surprising when you think about it, yet frequently people use illustrative techniques for no reason other than personal preference. Short of sending people a sample, nothing can be more convincing than photography.

- 'Before and after' pictures are very persuasive. Seek opportunities to use them. People believe what they want to believe – and a before and after is a wonderful way to dramatise it. So much so that on more than one occasion I have seen before and after *drawings* – clearly not realistic – work very effectively.
- Positive 'reward' pictures tend to work better than negative 'problem' pictures. This is not surprising when you consider that people like rewards more than threats. A classic instance of this is insurance advertising; telling people about the dreadful things that will happen to their family if they die is not as effective as displaying the large sum of money which will be their family's reward.

The only product area where negative approaches seem to work is in pharmaceutical products and the like. For instance, advertisements with themes revolving around the words: 'Oh, my aching back!'

- Don't use illustrations that do nothing. That may sound a strange thing to say, but if you look through many advertisements the product is merely *shown* when, with a little effort, it could have been *demonstrated*.

I have touched upon the importance of demonstrations in TV. But it is equally true that a still picture which demonstrates the product works better than one which doesn't.

A consistent visual tone is vital

- A consistent visual tone is vital. I have already talked about the importance of positioning. This positioning must be respected in everything you do, everything you say – and that includes the ‘look’ of the things you do. Otherwise people get confused – and you start to lose conviction.

Why should this be? Imagine if each time you saw a salesman he had a totally different appearance. One day wearing a sober suit. The next appearing in jeans and T-shirt. One day speaking quietly and sincerely. The next day bubbling with superlatives.

Either approach might work well, depending on what he was selling. But alternating between the two is confusing and diminishes conviction.

- Break down the product or service visually. Show the fine details of the way it is finished, or put in panels which show different aspects of a service or product.

You can show the fine stitching on a suit. Or illustrate in a series of shots precisely how a customer’s query is dealt with. Or show the various points in a kitchen where craftsmanship is superior.

All these things convince people they are getting good value for money, and that you have taken trouble to provide it.

Faces add credibility

- Showing the faces of people who give testimonials, and reproducing those testimonials in facsimile adds credibility. You should also put in their signatures if possible, and – if their statements are used in headings – put quote marks around them. This increases response.
- Don’t use pictures just for the sake of it. I have often seen work, particularly in the financial field, where illustrations are there for no reason. Ask: why is this here? What is it doing?

TRICKS AND TECHNIQUES THAT KEEP PEOPLE READING

Earlier in this century a man called Rudolph Flesch devoted a great deal of time to discovering what makes for easier reading. Many of the hints that follow come from him.

Here are seven writer’s tricks that keep people reading.

1 Use short sentences. They are easier to read and understand

The easiest sentence to read is eight words. The average length of sentence for easy reading is 16 words. Any sentence longer than 32 words tends to be hard to read.

2 Use short paragraphs

Include one thought per paragraph

Make sure each paragraph contains just one thought, if possible. People don’t read copy with great attention. Advertising communications are driftwood on the surface of life.

Try to make sure that the first paragraph in any piece is short – preferably only one sentence long. This is particularly important if the piece itself is very long. That first short sentence makes it easier to get into.

3 Count the number of times the word ‘you’ is used in your copy

There is a direct relationship, Flesch discovered, between effective selling and the use of that word. Talk about your prospect, not yourself. Certainly the word ‘you’ should occur at least two to three times as often as any reference to ‘I’ or ‘we’.

**Talk about
your
prospect**

4 Use guile to keep people reading

End a column or page half-way through a sentence so people have to keep going. Eg ‘This week we are offering a special discount of ... Next page, please.’ (Always be polite enough to ask people to keep reading.)

**Break up
sentences**

5 Use ‘carrier’ words and phrases at the ends and beginnings of sentences and paragraphs

Once you have got people reading, you want to keep them moving. So anything you can do to signal that some added, interesting information is coming up is a good idea. Good tricks include: ending and beginning paragraphs with questions, so that the reader clearly has to read on to find out the answers. Other tricks include starting sentences and paragraphs with words like ‘Also ...’, ‘Moreover ...’, ‘For instance ...’, ‘What is more ...’, ‘And ...’.

**Keep people
reading**

The secret is to read through what you have written and, as you come to the break between paragraphs, ask yourself if anything tempts people to keep reading.

6 Don’t use pompous Latinisations

Use short, Anglo-Saxon based words. Don’t say ‘momentarily’ when you mean ‘soon’. When you use ‘posh’ words – the kind you would not use in your ordinary conversation – you become false. You also become obscure.

When writing, try to be yourself.

Be yourself

7 Don’t use three words where one will do

‘Now’ is much better than ‘At this point in time’.

Nobody has time to meander through your copy. They are more concerned about their dog being ill, or the wife playing around with the man next door, or the rent being due.

**Use simple
language**

A digression here. Jerry della Femina, author of the best book I have read about what it feels like to work in advertising (*From Those Wonderful Folk who Gave you Pearl Harbor*) described his idea of the perfect ad. It goes:

Have you a dollar and have you piles? Send us your dollar and we'll cure your piles. Or keep your dollar and keep your piles.

This is a wonderful example of simple, effective language, apart from being funny.

One very important point about writing. It is very much easier to over-write and then cut than to under-write and then expand. Why this should be, I do not know, but it is.

CHARITY ADVERTISING: A SPECIAL CASE

In reviewing charity advertising, you must remember that it has its own peculiar demands and its own particular problems.

People are usually tempted to dramatise the *miseries* of the particular situation. They're even tempted to be clever – I gave the instance earlier on of fresh food flying into Biafra daily. I also quoted the Dr Barnardo's case of the frightening truth about the new adoption shops.

I can think of others equally unsuccessful: 'Colin will be eight years old for the rest of his life' – referring to a retarded child. And: 'How Snow White and the 57 dwarfs helped Martin talk' – an involved story about a pantomime.

**People give
from their
hearts, not
their heads**

The secret of successful charity advertising starts with the realisation that in this area, perhaps more than any other, emotion is all important. People give from their hearts, not their heads. Thus, a headline I wrote a few years ago: 'How much would you pay to give a lost little girl a start in life?' did very well. Other headlines that have done well include: 'Won't you play Santa to a lonely little girl?', 'This Christmas help make a blind man see. £10.' Or: 'For £7.64 you can buy her safe water for life.'

Therefore, here are some guidelines to follow when doing charity advertising:

1 Ask for a specific sum

Thus, for Save the Children: 'Won't you give £10 to save 10 children's lives?' Asking people to give generously is simply not enough. Talking about deadly perils is not enough either. You must tell people how much money is needed as well as how much you hope they will give. Eg: 'It costs £2,500 every three months to provide drugs.' Or: '2,000 doses of antibiotic cost just £42.'

2 Three critical elements

Successful headlines often contain three elements. For instance, in the headline I quoted above for Save the Children, we have:

- a problem (children's lives need to be saved);
- a solution the reader can supply, and thus feel good (you can save the children's lives);
- something which makes it sound easy (£10 is not a lot of money).

3 Come right out with it

Don't be cowardly about asking for money. Always ask people for more than you think they are likely to give. They won't feel insulted – on the contrary. And you will probably raise the average value per donation.

Ask for more money

4 Be personal

People give to people – individual people – not causes. That is why it is a good idea to feature a particular person in the advertisement.

Feature a person

5 Sound the alarm

Emergencies are always the best source of revenue. If you can make a situation sound like an emergency, do so. If there is an emergency, then for God's sake shout from the rooftops.

6 Christmas spirit

Christmas is the time when people give most. At that time *always* include the word 'Christmas' in your headlines. It focuses people's minds.

7 Be precise

You must tell people what their money will do, and how much money is necessary. For instance, UK tax rates went down under Margaret Thatcher. Good news for everyone – except the charities. Because charities can claim back from the Government the tax that the donor would have had to pay. Thus, where previously the top rate of tax was 60 per cent, it became 40 per cent. Ergo: a drop in revenue for charities.

Tell people what their money will do

A mailing I saw to donors from one charity explained this problem but did not *quantify* it. It was not precise. It didn't say how much money this charity was actually likely to lose as a result of this change in the law. This is a fatal error.

8 Suggest an amount

Actually put in the coupon, or the order form, a set of specific sums, starting with the highest sum and going down to the lowest, that people can give – plus a box with a blank so that people can give any other sum they choose.

9 Be amateur-seeming

Look cheap

People like charities to use their money wisely. That's why you should mention how little money is wasted on administration; and why charity ads very often work better if they are set by the newspaper, and look cheap.

In a series of tests for Help the Aged, we found that setting our ads in reproduction typewriter face significantly lifted response.

WHAT TO WATCH FOR IN BROADCAST

The things that go wrong in broadcast tend to be simple. Many stem from the fact that time is limited. People who are used to writing direct mail, or long copy, find it exceptionally difficult to accommodate themselves to the needs of broadcast.

That's why my first point – though apparently a very obvious one – is extremely important.

1 Don't over-write

A good thing to remember is that the number of words you can get into a commercial is normally no more than three times the number of seconds.

2 Don't cheat when timing

Allow for silences

Because people like to cram as much as they can into a commercial, they almost invariably cheat when reading it out in order to time it. They gabble, and they don't allow for the silences that will occur in that commercial. Don't do this sort of thing.

3 How long should it be?

Suit the length to the objective

Have you just arbitrarily selected a particular commercial length, or are you suiting the length to the objective? For instance, if all you want is a simple inquiry about something, you may be able to do it in under ten seconds. If you think you're going to sell something to somebody, then you're very unlikely to be able to do it in under 90 seconds.

4 Poor presentation

Explaining to people who don't understand the medium what a commercial is going to look like is quite a problem. Traditionally storyboards have been used. These are a series of frames, each with an appropriate description of the action and the script under them. Most people find this hard to take in. Other alternatives have been to go to 'animatics' – stills which a camera roams over to give an illusion of action, accompanied by a soundtrack. That's easy to understand but expensive.

In the early stages of presenting commercials, I counsel you to do so by *describing* them. Tell the story, merely showing one or two key visuals. Trying to go through a series of ten to twelve frames, explaining what's going on in each frame and also reading the script is very difficult indeed.

Present well

5 Don't sell too literally

In the need to convey the wonders of the brilliant commercial you have just dreamed up, you may be tempted to produce very detailed visuals, or to write down very detailed treatments. (A treatment is a description of the commercial in words, without the actual script.)

Making things too detailed can often lead to a problem. When the commercial is finally produced, the client may say: 'But in the third frame you presented originally, you had a large rock on the right hand side – why isn't it there now?'

Avoid too much detail

6 Choosing the production company

The choice of production company – and in particular director – is crucial. Pricing can vary phenomenally. But your judgement should not be on price alone: it should start with looking at a show reel, assessing whether a particular director can do a good job for you and – most important – asking yourself if you can get on with him or her. Then think about price.

Pricing can vary phenomenally

7 Missing out on key stages

Once you have recovered from the thrill of dreaming up your epic, you may be tempted to skip out boring but essential details that have to be gone through as this dream becomes reality. You must make sure you're present at every key stage, without actually getting in the way.

It is particularly tempting to absent oneself from pre-production discussions. But working out how long it's going to take to produce your commercial and what's going to be needed is very important.

Be present at every key stage

8 Don't be daunted

There's such a mystique about the broadcast media that sometimes people are reluctant to say to the director: 'This isn't what I had in mind.' The director himself may be tempted to pose as an expert, not merely on directing, but on copywriting. Don't let this happen. I can promise you that if things go wrong, you'll carry the can before the director does. Make sure your original vision is retained, unless you are quite convinced that the changes suggested really are improvements.

Stick to your plan

9 Pay attention to editing

Editing sounds a very technical business. It isn't. Spending time watching while somebody edits a commercial, making sure you get what you want and you don't get what you don't (without trying to be bossy) is essential. Many great directors have started out as editors. You can't make good commercials unless you pay attention to editing.

10 Approach it step by step

Because of the mystique I have already referred to, and because you may not be familiar with the making of commercials, the whole process will at first sight seem terribly complicated.

It isn't really. It simply has to be approached with the same care as you would approach anything else. It's just that you have a different set of things to worry about.

Personally, my overwhelming feeling about broadcast is first, that it can be an extremely tedious process (on the set, as far as I can make out, the only person who ever has any fun is the director). Second, despite this it's a tremendous challenge. What is more, it is becoming increasingly important in our business.

Five things to re-check

Broadcast may have its own demands, but it is not *all* that different from any other medium. What you're trying to do is the same. You're trying to attract attention and lead people through to a sale.

However, here are five things I would look out for with particular attention in reviewing your broadcast ideas.

Things to look out for

- 1 What's the idea? Is it *really* a big idea?
- 2 Is the *technique* stronger than the content? Are you relying upon dancing and singing rather than the strength of the idea?
- 3 If you switched the sound off, would the pictures communicate the idea? And vice versa? Neither of these things is essential – but they sure help.
- 4 Are you using 'supers' – words over the screen which communicate the benefits? These can be very powerful and certainly increase memorability.
- 5 Do the scenes flow logically one after another? If they don't, you're in trouble. The thing may jar or be incomprehensible.

A simple way to find out whether this is the case is to get somebody in off the street and ask them whether they understand what the commercial is all about. It sounds obvious – but few people think of doing it.

NOW THAT YOU THINK IT'S PERFECT HAVE YOU FORGOTTEN ANYTHING?

For the most part our communications are rather like aeroplanes. Whether it's a commercial, a mailing shot or an advertisement, once it's gone out, that's it. You can't call in three million pieces of paper because you have just had a good idea. You can't stop the printing presses to change your headlines.

So it's utterly important that after you think you've finished creating or perfecting your message, you check once again to make sure you haven't missed something out. This admonition is not just to the writer and the art director; it is addressed with particular force to those of you with orderly minds – the account handler and the client. Writers and art directors often get carried away. And as a former colleague of mine in India, Mani Ayer, once observed: 'The obvious is always overlooked.'

Here are areas I think you should pay particular attention to – especially when you think you've done everything. (You won't be surprised to see that I have mentioned some of them before.)

'The obvious is always overlooked'

1 Have you included every convincing reason for responding?

Go back to your planning stage and make sure it's all included. (But don't forget that if you are only going for an inquiry, you don't have to tell the full story ... just enough to get your prospect keenly interested.)

Be convincing

2 Is there anything you've taken for granted?

Your guarantee, your money-back offer, even the fact that you are selling direct?

These things may be boring to you through familiarity but they are important to your sale. That's perhaps why a common omission is that of describing and showing the product properly.

Mention everything

3 Have you built in maximum credibility?

Your prospect cannot see you or all the trouble you take to deliver the perfect product.

So ensure that you have made full use of testimonials, third-party opinion, independent research. In products where the claims are hard to believe, emphasis given to money-back offers (even the simple words 'or all your money back instantly' prominently placed) can make a great deal of difference.

4 Do your pictures show what your words say?

Illustrate the benefit of the product

Research shows that many advertisements are found confusing simply because the pictures illustrate some phrase in the headline, rather than the benefit of the product. One of my favourite examples was an advertisement for a Xerox where the headline (a stupid one in any case) suggested that it was 'ahead of the field'. The illustration actually showed a field – with a field mouse.

5 Is it all logical?

Describe each paragraph

Re-check that the package is consistent. Don't have three or four ideas which are slightly contradictory (even if each is good, they may counteract each other). Make sure you are following one theme. And, equally, make sure that in each piece there is a logical flow. Write a phrase describing each paragraph, and see if the sequence makes sense.

6 Are you going all out for telephone calls?

They will form a substantial proportion of your replies in all possibility. Feature and illustrate the phone boldly.

7 Have you paid sufficient attention to the ordering mechanism?

Repeatedly tests show that:

- The more time you give to the ordering instructions in a commercial, the more response you get.
- The more size and prominence you devote to the coupon, the more replies you get.
- The larger the order form in a mailing, the greater the response. In one case, response to an insurance mailing rose by 25 per cent after the order form was doubled in size.

Ensure instructions are easily understood

On occasion I have spent hours writing and rewriting an order form to get it right. It is well worth spending such time to ensure that the instructions on how to order are full, clear and easy to understand. Ask somebody unconnected with the job to read through the order form, and find out whether they understand what to do.

Ensure that the address is in more than one place in the advertisement or mailing pack. (I have heard that it pays to put it on *every* piece of a mailing pack.)

Restate the benefits and offer

Finally, remember that people often put the order form or coupon aside to be sent off later – then forget. For that reason, it's important to restate the benefits and offer in full there.

8 Have you built in a sufficient sense of urgency?

Can you in some way mention the time factor right at the beginning – even on the envelope? Have you given people reason to act: time incentives, gifts for speedy action, or threats of imminent price rises?

Give people reason to act

You'll be surprised what even the simplest gift does. As I was rewriting this paragraph I read a letter from an academic publisher who revealed that to his great surprise a simple pocket calculator costing him £2 had increased his orders by 20 per cent, for a book costing £50.

9 Are you getting as much as you can out of the piece?

I am not proposing that you cram everything to the limit. But look through your layout to see you have wasted no space unnecessarily. Weigh your mailing pack: maybe you can include some extra telling element without going over the postal limit.

Don't waste space

10 Have you edited and polished sufficiently?

Write with fury; but correct with care. Look at your layout sternly and settle for nothing less than the very best you can do. The finished article will always reflect the work you put into it.

Correct with care

11 Don't be proud

Show what you have created to others. Try it out on them. You are not a genius. For instance:

- Get someone to read it aloud: does it *sound* good?
- Check it with someone who's not too bright – or even someone who doesn't like you. They will give you a fairly honest opinion.

All truly professional creative people accept criticisms – even if they don't welcome them too much. Remember what Napoleon said: 'There is somebody who knows more than anybody ... and that is everybody.'

Accept criticism

12 Re-examine the brief

The last thing of all. Go back to the brief. Have you met it?

Please use these checklists

While I was working on this book I read an article about the humorist S J Perelman. He was a great perfectionist. When somebody asked him how many

drafts he went through to create a piece, he replied ‘Thirty-seven’. I am afraid I am not as perfectionist as him. Ten is usually enough for me. Probably if I tried harder I would be a better writer.

It may be that you, dear reader, are one of those rare human beings who can produce perfect work every time. Or you may find it demeaning to subject your work to a mechanical process like a list of dos and don’ts.

All I can say is that I have found it *does* pay to subject your work to the kind of analysis I have outlined on the previous pages. Though I must emphasise that *first* you must let your fancy fly free. Be generous with your thinking. Try everything from the straightforward to the crazy.

I believe you will find these checklists not only concentrate your mind and give direction to your work: they will actually *help* you get ideas.

There’s an old saying I’m particularly fond of. It is: ‘Search the world and steal the best.’ Well, after 40 years in this business, the lists above cover just about all I’ve learned, and all I’ve stolen. Be my guest. There is no honour amongst thieves – especially when it comes to ideas. I hope my list helps you.

One word of warning. Everything I have said has proved true for someone. Most of it will prove true for you. But not all of it. And not always.

‘Search the world and steal the best’

How to Test – and Evaluate Your Results

*‘One must be a God to be able to tell
successes from failures without
making a mistake.’*

Anton Chekhov

*‘To find a Prince, you have to kiss an
awful lot of frogs.’*

Seen on a lapel badge at the time of the
wedding between Prince Charles and
Lady Diana Spencer

At the beginning of this book I recounted how one thing that attracted me to direct marketing was the fact that you could *know* what worked and didn’t, as opposed to guessing or relying upon someone else’s opinion. However, it is quite impossible to predict with any degree of certainty *exactly* what a particular piece will do.

This was brought home to me in a way I have never forgotten when a former colleague of mine, Stewart Pearson, devised a series of tests for a client we then had called Comp-U-Card. We were not at all sure which of twelve lists would work best for us, and what was the best price to charge. We tried three – £12.50 a year, £15 a year and £20 a year.

I was eager to test something I had tried when I owned the Business Ideas Letter: delayed bank mandate. What would happen if we allowed people three months to test the service before they were really committed?

We also wanted to know what was the best time to mail people. I had a number of creative ideas I wanted to test. What difference would it make if we tried a bright yellow envelope instead of a white one? And finally, the client

**Elements of
a classic test**

Test results can surprise

wanted to test whether people were prepared to respond on the phone without the facility of an 0800 number. So we tested three different response alternatives: telephone on its own; mail on its own; or a choice.

The results were salutary. The best list did six times better than the worst; the best offer – which was the highest price with a delayed bank mandate – produced three times as much money as the lowest with no delay. If we mailed at the best time of the year we did twice as well as if we mailed at the worst time of the year.

The yellow envelope increased response 20 per cent, and a sticker which you could place on the order form to indicate acceptance, rather than having to sign, worked well too. In fact, these two elements together increased response by 35 per cent.

The best combination of all the above factors was 58 times more responsive than the worst. This is the most spectacular example I've ever seen of the power of testing. However, I discovered in a very personal and distressing way what happens if you don't test, back in 1968. That was the year that my partner and I bought the Business Ideas Letter.

My youthful folly

One of the first ideas I had was to mail 50,000 people who had previously inquired about the publication but had not yet decided to subscribe. I had reviewed the previous publisher's promotions and decided he had missed this obvious opportunity. I was also buoyed up by the confidence born of almost complete ignorance, which convinced me he knew far less about direct mail than I did. (He is now a multi-millionaire. I am not.)

My partner and I concocted a mailing so splendid and so much better than anything previously done that we decided to dispense with testing and send out to the complete inquiry list. True, it was a little close to Christmas to mail. On the other hand, the mailing was so good that it couldn't fail. So we went ahead.

It was an expensive mailing, because it included a copy of the newsletter itself – which many publishers have since been kind enough to inform me is almost invariably a mistake. Few publications can live up to the claims your promotional material can make for them.

In terms of consequences, it was *the* most expensive mailing I have ever sent out in my life. It proved a complete disaster and cost us so much money that it took a year for our business to recover from it.

This inspired piece of commercial nonsense shows why you should *always* test if you can. A 50,000 mailing is a mere bagatelle to a large company. But it is enough to ruin a small one. And time after time I have learned that no matter how much experience one may have, it is almost impossible to foretell the results of anything. One reason is that we lead very different lives and have very different interests to most of our customers. We find it hard to put ourselves in their shoes and predict how they will react.

In the case of the tests we conducted for Comp-U-Card, several results came as a complete surprise to me, and in particular I was astonished that the

highest price produced the most money. I was puzzled seeing that offering the option of phone or post did not work as well as post alone. I was also a little surprised to discover who were the best prospects for this service. You might imagine that the people most eager to save money would be those who have the least to spare. On the contrary, it was affluent professionals who proved our best prospects.

The American publication, *Direct Marketing*, used to ask readers to predict the results of split-run tests. After over 30 years in this business I used to get almost as many wrong as I got right. I doubt if you would do better.

The moral is: *test*, don't *assume*.

**Test, don't
assume**

TESTING: THE FIRST DUTY

I suggested at the start of this book that once you have isolated your prospect or customer as an individual, two activities will govern your success: testing, and building a continuing relationship with your customers.

Both are important, but you will never even start a relationship if you can't recruit the customer at the right price. Moreover, once customers are recruited, they will never prove as profitable to you as they might unless you test your communications to make sure they bring in the maximum return for you.

So testing is your *first duty* as a direct marketer. Apart from anything else, it will ensure you don't lose money – and that is what you have to concern yourself about first.

A friend of mine once worked on the Buick account in Detroit. I asked him why their advertising was always such boastful piffle. He explained: 'Every year the agency works flat out for months, producing hundreds of ideas. All the layouts are pinned up on a wall. The client comes in and chooses the ones he likes. Usually those are the ones that make him feel good about his company.'

Judging by the fact that much General Motors advertising remains boastful to this day, I imagine they still go about it in much the same way. But there is no need to produce your advertising like that. There is no need to spend days speculating about how the public will respond (or even whether the client will like it or not), if you *test*.

Claude Hopkins

The man who said the final word on testing – over 60 years ago – was Claude Hopkins. I have mentioned him a number of times already in this book because anybody in the business of marketing ought to know who he was. Sadly, many people don't. Let me tell you a little of his story here.

If the advertising business has ever produced a full-blown genius, Claude Hopkins may have been the man. Certainly his employer must have thought so: he was being paid \$168,000 a year (plus bonus) back in the 1900s – and in those days you paid no tax. By the end of his career in the 1920s, he

The best book ever written

was allowed to fill in his own salary cheque. John O'Toole, a former chief executive of Foote, Cone & Belding – the lineal successor of Hopkins' agency, Lord & Thomas – commented that Hopkins was cheap at the price, despite his enormous salary.

Hopkins helped build Lord & Thomas into the largest agency in the world. He wrote a short book entitled *Scientific Advertising* in 1924. In some ways it remains the best book ever written on the subject – and the briefest.

Hopkins learned his trade in the mail order business, then applied what he had learned to general advertising. Although he was a copywriter, he did not restrict himself to writing copy, or even advertising. Thus, for example, he resuscitated the business of the Bex Bissell carpet sweeper company when he suggested to them that instead of having a wooden handle on their sweepers, they offer consumers a choice of colours.

'Buried' offers

For a suet company he had the splendid wheeze of baking the world's largest cake and placing it in the window of a Chicago department store.

He introduced putting 'buried' offers in the body copy of his advertisements so that he could measure which were most read. He also started putting coupons in advertisements that people could take to the retailer to redeem. His thinking was behind many of the techniques now taken for granted (or sometimes neglected).

He was the man behind the success of famous brands like Schlitz beer, Pepsodent, Chevrolet, and many others. Shrewdly, he used to take shares in the companies he wrote advertisements for, and as a result became even more wealthy.

The school for advertising

Hopkins recommended mail order as the school from which one must graduate before hoping to succeed. (He also said he shifted to general advertising because it was easier to make money in.)

'There, false theories melt like snowflakes in the sun,' he observed of mail order, and conclusively: 'Almost any question can be answered, cheaply, quickly and finally by a test campaign. Go to the court of last resort – the buyers of your product.'

I am going to devote *two* chapters to testing, because I am astonished how little people know about it, appalled at how little they value it and alarmed that many who are starting in direct marketing neglect testing almost entirely.

I started this chapter with the story of my own blunder because it shows that even people who ought to know better (and I had read Hopkins long before that mailing) make silly mistakes.

The perfect client

In my experience, you can almost always tell the difference between a really professional direct marketer and an amateur by how much testing they do. When asked to define the perfect client in three words at a conference in 1980, I said without hesitation: 'Willingness to test.'

But willingness to test is not enough. If you don't know how to test, and how to read results, you can get into a great deal of trouble. A little learning, they say, is a dangerous thing. In our business it can be downright catastrophic.

A former partner of mine, Brian Thomas, was once taking over a seminar on direct mail for the Institute of Marketing. He was handed the previous lecturer's notes as a reference. He read them carefully. One section he read several times, because he could not believe what it said.

'If you have two letters and you want to know which will do better, you must conduct a test,' said these notes. 'Take a hundred copies of each and mail them out to your list. The one that does better is the one to go ahead with.'

This is such a parody of the truth that it verges on the criminal. Indeed, if you were to act on it all the time, you would be committing commercial suicide. When I deal (very briefly!) with statistics, you will see why. But if the man who gave the advice (a respected consultant, by the way) knew anything about the mathematics of testing, he would never have committed such a crass error. For such a test to be at all reliable, you would have to be anticipating a response of over 40 per cent to your letters. An occurrence as rare as sunstroke in Manchester.

Dangerous rules

If people would only test more, they would never say or believe the things they do. In our business it is so easy to end a discussion with a fine generalisation, or to take it for granted that because someone else has said it, then it must be true.

This is one of the dangers of the rules beloved of many direct marketing experts. What may work for someone else with their product may not work for you.

For example, as I have already pointed out, paper-set ads (those set by the newspapers themselves) work very well for charities or language courses, but I'd be amazed if they worked for expensive collectibles. Equally, many direct marketers assume that a premium will always increase response. One company offering mortgages found that free offers *reduced* response. One magazine tested three premiums and all three lowered response.

Another cherished belief amongst many experts is that an envelope message will always increase response. Not if it's a stupid one. One of my clients tested a blank envelope against a singularly inane one produced by my agency, and it did 25 per cent better.

You have to think carefully before you apply the 'rules'. Thus, in the cases I have just cited, cheap offers which do not reflect the quality of a magazine will depress response. Silly envelope messages will put people off rather than encourage them to start reading. So you must test. The knowledge you gain will make your marketing more effective than your competitors' and your knowledge greater even than that of some of the experts.

In his direct marketing book, Ed Nash, to take one example, states that your message must look different from its environment. 'The first law of layout is to be noticed.'

Ed Nash claims to be the 'Master Strategist' of direct marketing, yet the exact reverse of his first law of layout is, in my experience, often true. I have found time and again, not just with charity advertising, but with record advertising and consumer durable advertising that, on the contrary, a very good principle of layout is to blend into your environment.

A very good principle of layout

The late Richard V Benson, regarded by many as the pre-eminent US direct marketing consultant, expressed the view that an editorial ad will increase readership by between 500 per cent and 600 per cent. I do not know whether this is true or not; but I do know that when we started running editorial-style ads (see page 291) for our retail client Magnet, people came into the stores and commented on what 'good write ups' we were getting. This was despite the fact that all these advertisements are clearly headed, at the insistence of the publications, by the word 'Advertisement'.

In the magazine *British Reader* a Young & Rubicam creative director suggested in 1987 that consumers are becoming so sophisticated they are no longer 'fooled' by editorial layouts. And indeed that being constantly exposed to advertising layout formats has made the readers prefer them. His is an opinion, and an interesting one. My views are not opinion. They come from experience and testing.

Claude Hopkins pointed out the truth long ago: 'Some advocate large type and big headlines. Yet they do not admire salesmen who talk in loud voices. Others look for something queer and unusual. They want ads distinctive in style or illustration. Would you want that in a salesman?'

'Would you want that in a salesman?'

'Do nothing to merely interest, amuse or attract. That is not your province. Do only that which wins the people you are after in the cheapest possible way.'

But does that mean that *all* your ads should melt into the background by aping the editorial style? Does it mean that I am right, and others are wrong? No: it means you must test, and find out what works for *you*, and *your* product.

THIRTEEN WAYS YOU CAN LEARN BY TESTING

It does not matter what media you are in, or how much you spend; you can test, observe your results, and learn from them. Some methods are far more statistically reliable than others. But *all* are better than just using your own judgement.

1 The A/B split

Many publications are printed on cylinders with each cylinder printing more than one copy of a given page on it. So it is possible for a cylinder to carry different advertisements on the same page of a publication.

New “Low Emissivity” double glazing works 52% better

Tests show “Magnashield”
retains more heat – works
as well as triple glazing yet
costs little more than
ordinary double glazing

by OWEN MATHER

YOU can now buy a new kind of double glazing which works as well as the triple glazing that fights the cold in freezing Scandinavian winters.

The secret? A multi-layer coating containing silver oxide between the two panes of glass. This coating is so thin you can't see it, but gives the glazing what scientists call *low emissivity*.

It lets out less of the heat you pay for, yet allows the sun's rays through the glazing, and traps the warmth for longer inside your home.

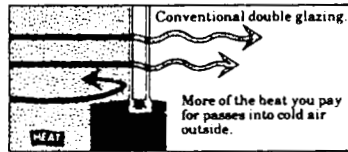
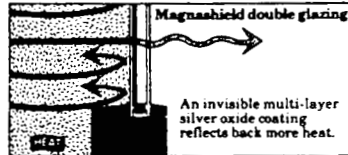
Scientific tests conducted on a typical 3-bedroomed house prove low emissivity “Magnashield” performs 52.46% better than ordinary double glazing.

Slash your fuel bills

“Magnashield” costs only a fraction more than ordinary double glazing. Yet tests indicate the difference in cost between “Magnashield” and ordinary double glazing could be paid back over as little as 9 months.

“The price is low because we make it ourselves and sell it direct,” says Magnet Southern's Chairman, Tom Duxbury. “This is a big advance on ordinary double glazing – we believe it will cut fuel bills by an extra 15%. It cost us £7.0 million to build a facility. But since it's better, we thought we should offer it to our customers.”

“Magnashield” is only available through Magnet Southern's stores.



You are unlikely to see this new kind of double glazing elsewhere. That's because the manufacturing plant to produce it is very costly. So a company wanting to make it needs a huge volume of sales. Each week many thousands of double glazed patio doors and windows are sold through Magnet Southern's stores. That's why the company could afford the investment.

Free brochure tells more

If you'd like to know more about “Magnashield,” visit your nearest Magnet Southern's store. At the same time you can pick up a free copy of their 116 page, full colour brochure.

This brochure tells you not only of “Magnashield” but other Magnet Southern's exclusive products. They are Britain's biggest manufacturers of doors and have a wide range of their own craftsman-made kitchens. Many customers particularly like their free computerised kitchen and bedroom planning service.

Virtually everything you buy at Magnet Southern's is made by their own craftsmen and sold direct to you. This keeps the quality up and prices down. Check for yourself. Come into a Magnet Southern's store.

There are 250 stores throughout the country where you can see “Magnashield” window units and doors for yourself.

Figure 12.1 Magnet ‘editorial’ advertisement (not a direct ad, but applying the principles I had learned from direct results)

Thus, you can have the publication printed so that one half of the copies have one piece of copy, and the other half a different one. This is what an A/B split is.

In some cases you can have a four-way split. But the reason why these splits are so valuable is that the copies of the publication bearing the advertisements you wish to test come off the presses alternately in the case of an A/B split, or in sequence in the case of a four-way split.

Getting close to statistical perfection

In this way you get very close to statistical perfection. There can be no geographical or other bias, and each newsagent is delivered a pile of papers with alternate examples of the advertisements you are testing.

Newspapers normally charge you for arranging a split-run, but when you realise that one ad may be two or three times as effective as another, this is a small price to pay.

It was through split-run tests that we found out some fascinating (and valuable) information about Dr Barnardo's, the child care charity.

What works for charities

My friend Harold Sumption knows more about charity advertising than anyone I have ever met. He told me: 'People don't like the idea of charities squandering their donations on expensive advertising. They like to feel everything is done on a shoestring, by voluntary workers. The best ads look as though they were put together late at night by a group of dedicated amateurs on somebody's kitchen table.'

I had also learned that the Linguaphone company found their paper-set ads outpulled trade-set ads by about 25 per cent. Moreover, years previously, I had tested paper-set editorial style ads for washing machines. They had consistently done better than ads that looked like ads. (And the newspaper will typeset your ad free, whereas trade setting is very expensive.)

However, when we started work on Barnardo's, our creative director, John Watson, and his art director, Chris Albert, hated the idea of having our ads look ugly. In the end we arranged some split-run tests. The paper-set ads outpulled the trade-set ones by between 60 per cent and 250 per cent.

2 Split-run inserts

Greater flexibility

The weakness of the A/B split is that in most publications you can only test two things at a time – occasionally four. But the ability to *insert* material which you have had preprinted yourself into publications gives you considerably greater flexibility.

What is more, since the insert pulls greater numbers of replies than advertisements do, you don't need as many copies of an insert to get a statistically reliable response level. I shall explain why in more detail later. But several benefits result.

In the first place, you can usually afford to test several publications at the same time, thus finding out which media are likely to do best for you. In the

second place, you can test a variety of different creative approaches. So you can acquire a great deal of knowledge very quickly.

The drawbacks of the insert are that the initial print cost will almost certainly be greater than most ads, so you must balance this expense against the benefits.

Time, too, is an important factor. It can be infuriating to wait for a magazine carrying your insert to publish; and then to have to wait again until a sufficient percentage of the results is in before you project.

You must, therefore, beware of making hasty decisions on the basis of early insert results. A few years ago, when testing a series of inserts for a knitting-card club, we made a costly error. In the early run of responses, one of these inserts was doing very well. Copy deadlines were looming, so we prepared an ad based on this insert. As further results came in, it turned out the early winner was not in fact by any means the best insert. Another one did much better. But by the time we learned we were wrong, it was too late to do anything.

So, although the insert may be a more flexible medium for testing, a daily newspaper split-run gives you a shorter copy date with results that come in much sooner than with a monthly or weekly magazine. In a fast moving world, that can be important.

3 Split-run mailings

This is the third major test bed for your business, and in some ways the most valuable.

That is because there is a wide range of outside lists available for you to test and you also have your own database which can be segmented down according to any number of variables. In this way you can test new lists, new approaches, and the effect of particular approaches upon particular segments.

This latter is particularly important. For instance, in the United States our agency tested a service which helped the business customer arrange his finances better. Response was good when targeted generally to business people. Then, the creative approaches were varied to approach each profession with a special appeal. Responses increased dramatically – in some cases by over 100 per cent. The only exception was when mailing accountants. Predictably, they didn't see any need for advice on the subject on which they consider themselves experts.

Fundamentally, you can divide mailing tests into tests of new *lists* and tests of new *approaches*. But you must remember two things.

- Always test a new list with your existing, proven package – or 'banker'. This is obvious sense. If you try new copy, you will never know whether it was the new list or the new copy that worked.
- By the same token, every time you test new copy, make sure it is tested against your 'banker'. You can't rely on comparing what your 'banker' did

**The most
valuable test**

Don't test two variables simultaneously

last time out and what a new piece of copy does this time out. The timing can make a lot of difference (as you saw in the Comp-U-Card test, where it doubled response).

What I am really saying here is: don't test two variables simultaneously. You will rightly reply that this is obvious, but I can tell you that otherwise very bright people do this quite frequently. For this reason, I shall be restating the point in a different way in the next chapter. It is extremely important.

4 Geographical splits

Most publications don't offer A/B split facilities, but they often publish different geographical editions. This enables you to test many ads simultaneously in different parts of the country.

The problem is, of course, that different areas respond very differently, so you have to allow for that when testing.

You can do this in two ways.

Monitor results

- Break down your customer file and response records by geographical areas. Monitor the results. You can then relate your own historical experience of geographical variations to the number of replies coming in from the various regional editions of the publication.

Don't forget, though, that you have to allow for the *relative* circulation in each geographical area of the particular publication you are using. This can also cause misleading bias because it may differ from the geographical bias amongst your own customers or the population at large.

- If you *rotate* your copy region by region, so that each piece of copy appears in each region, you can then make allowances for such biases.

Thus, first you run ad A in the north, and ad B in the south on week one. Then you do it the other way round on week two. Add the results of the two tests together and you have a fair reading. Rotating more than once will make this more reliable.

However, bearing in mind that you should be always looking for big differences, not small ones, worthwhile results should emerge quite clearly.

5 Telescope testing

Learn faster

If you have statistical indications, you may already have worked out another, very valuable form of test: valuable because it enables you to learn faster.

This is a test in one publication using both a geographical split and an A/B split simultaneously. For example, if you test ads X and Y on an A/B basis in the southern editions, whilst splitting X and Z in the north, you should have a good indication as to which of the three ads is best. To be sure, you repeat the process, rotating the tests so as to eliminate any possible geographical bias.

To learn more, you then take the winning ad and use it as a control against two more ads, in the same way.

Note that you must have one ad in *both* geographical areas, as a control.

This method enables you to learn even faster – and is particularly useful with publications which have many geographical editions.

6 Your own database

You already know that the customers you seek are similar to the ones you already have. That's why your own database – apart from being the cheapest and most accessible test medium – is probably the most valuable one. Apart from anything else, your customers are almost invariably the most responsive group of people you can reach, so you are far less likely to lose money with them.

As your knowledge grows, you will constantly be able to compare the response you get from your own customer file and that which you get on the same offer when made to other lists, or in other outside media. In this way, once you have tested an offer to your list, you can project roughly what it is likely to do elsewhere.

Unquestionably the cheapest way to test a new offer is to try it as a 'bounce back'. That is, an insert when sending out merchandise or welcoming people to your service. There's no extra postage; the people receiving it are the hottest of buyers. This is the very best time to catch them because they are (I trust) happy with what you have sent them: you will get a very high response. This means small numbers of inserts will suffice. Sometimes, you can put together a modest leaflet to test several possible offers simultaneously.

The cheapest way to test

In the same way, an insert placed in one of your regular communications to your customers – a statement for instance – is also a very cheap and effective test medium.

In all these cases you can often use existing printed inserts and save money. Many forget this and waste money needlessly.

Once again, I must nag you with another warning. Make sure you express your offers to your list in the same way you plan to express them when going outside. It's no use using one headline and illustration to your list, and then being amazed that it doesn't pull well outside with a new headline and illustration. That's a *new* test. Obvious – but all too often ignored.

7 An ad catalogue

Another way of reaching your customers to find out what might work outside – because, as I have already said, what works in your catalogue should do well with the similar people you seek. However, this form of testing is indicative rather than decisive.

The catalogue is a medium with its own peculiarities. Don't forget: a product which works in a catalogue may not work on its own.

However, although what works in a catalogue doesn't *always* work elsewhere, very often it does. And certainly, if you find something is doing *extremely* well in a catalogue, it ought to work elsewhere.

Some companies simply have catalogues which consist of reproductions of all their advertisements. This is a very, very inexpensive way of putting together a catalogue. It will also make it easier for you to insert a new product in the accepted format within your catalogue.

Choose the best format

I must say, however, that this is not normally the best format for a catalogue. Catalogues, as I remarked in the creative section on them, tend to do better when there are several items on a page. This format makes it more difficult to test the validity of such products. Nevertheless, if you have a catalogue, then it is foolish not to use it as a test medium. (And if you don't have *some* sort of catalogue, I suggest you try one.)

8 Questionnaire

The Cinderella of direct marketing

The questionnaire, in my view, is the Cinderella of direct marketing. A humble, drab, unexciting drudge which has now become transformed into the key to many direct marketing activities.

You will already have concluded that the business of direct marketing revolves around acquiring knowledge about customers and prospects and then deploying it effectively. What better way to acquire knowledge than simply to ask your customers and prospects? Sophisticated direct marketers have known this for years. One of my clients has a sequence of over twenty tests, the first of which is a questionnaire, before launching any product.

Ask your existing customers

You cannot normally base your final marketing decisions on the responses to a questionnaire. Like the responses to a catalogue, they merely indicate what might happen. But in the early stages they are of enormous value in setting you off on the right track. As I suggested in Chapter 4, to find out what you ought to sell, start by asking your existing customers. You will learn a great deal.

Constructing a questionnaire mailing requires a knowledge of research, for it must be a combination of research document and mail shot. Too many are seduced into selling at the same time and thus erode the validity of the responses.

To your own list, a well written letter with a questionnaire should pull a 50 per cent or higher response – depending on the closeness of the relationship between you and your customers. But you *must* emphasise that you are asking them to give you advice that will help you serve them better in the future. 'Help us to help you' is the appropriate theme.

Properly written, such questionnaires do not even require inducements to be completed, though many companies offer a modest gift. One, for instance, adopts the ingenious and worthy ploy of making a gift to charity in return for each response.

This whole subject of the series of mailings you can employ to pre-test your product or service calls for lengthy treatment beyond the scope of this book. However, it is well worth your attention because it is the key to a *systematic* approach to selling which will virtually eliminate the possibility of any large-scale loss.

Parenthetically, I would say that were you to employ even *half* the techniques I have recommended in this chapter so far, you would be working more scientifically than the majority of today's established direct marketers.

Hardly surprisingly then, some of the smarter 'new' direct marketers have started using the questionnaire to fine effect. One ingenious use of the technique was made by my colleagues in the United States who initiated a great 'debate' on that matter of consuming interest to all Americans: chocolates. Was a new product a *cookie* or a *candy*? This was the burning question respondents were asked to vote upon. A very simple form of questionnaire, but nevertheless taking advantage of the fact that people like to answer questions.

This is not testing, but it is interesting as a way of suggesting that you think very carefully about the potential of the questionnaire.

The questionnaire is, of course, the method used to build proprietary databases – a subject covered in Chapter 9.

9 Radio and TV

In Britain, radio is little used by direct marketers, which is a great shame because, before TV, radio was a major direct marketing medium in the UK. Commercial radio came late to Britain and is relatively underdeveloped. The quality of radio commercials in this country is generally low.

TV, on the other hand, where creatively many people feel that British advertising is better than any in the world, is a fast-growing medium for the direct marketer. The channels are limited in number, the time available each hour is (wisely) limited by law, so it is not always easy to obtain the two prerequisites needed for much effective direct marketing: long time-slots and unsociable hours. However, as I observed in Chapter 7, this has changed with the advent of cable and satellite TV channels.

As test media, both TV and radio have a great advantage: speed of response. Their great disadvantage is that translating what works on television or radio into print is difficult.

Nevertheless, radio in particular is an ideal test medium. The production costs are low. The tape of a commercial can be altered so that you can easily and inexpensively insert or delete particular phrases. And one thing we have learned in this business is that particular phrases can make a phenomenal difference. Moreover, many small radio stations charge relatively little for time.

Because of its low cost, even though it may not be potentially the most profitable medium for a particular offer, I think radio has a lot going

The object is to *learn*, not to make a profit

for it. You may make little, but you won't lose much. And you could learn a lot fast.

One thing you should never forget is that the object is to *learn*, not to make a profit. A test that loses you money today may yet tell you enough to make you a fortune tomorrow. Too many people try to test *and* make money. That is nice when it happens (which is quite often) but it is not the primary object of the exercise and is shortsighted.

The astronomical cost of TV makes testing a very costly business indeed. Nevertheless, an inexpensive video-taped commercial shown at off-peak would prove an economic test.

You cannot conduct a true split-run test on TV and radio. You can, however, arrange geographical splits (particularly useful in conjunction with regional issues of the TV papers). And you can alternate commercials and achieve much the same effect, using different phone numbers or addresses, or referring to different advertisements in the commercials.

The 'Gold Box' technique

The US direct marketing man Lester Wunderman has the credit for inventing one particular technique known as the 'Gold Box', which helps in testing. On the TV commercial, mention is made of a box in the advertisement which – if you tick it – will entitle you to a free gift when sending in your order. No mention is made of this in the ad so that it is possible to measure how many of the people who saw the commercial were motivated to reply to the ad: how much 'uplift' the commercial gave.

10 Small ad tests

The small advertisement is a much under-utilised test medium, and yet it can be immensely valuable. Most of the old-time advertising pioneers like John Caples learned their first rules from small ads.

The only difference between a small ad and a large one is size. Every element that a large ad can have, a small one can have. A headline to attract attention, with maybe a small picture to illustrate it. Copy to make you want to buy. Mention of a premium. And a demand for action, with possibly even a coupon if the ad is above a certain size.

Alternate to get a valid reading

You can't split-run small ads (most media won't allow for splits on sizes smaller than 20cm double column). But you can *alternate* them day after day for a couple of weeks to get a reading. This also applies to classifieds – the most cost-effective spaces of all.

11 Shrinking your ads

Retain the same elements

You may have a number of large ads you want to test. But you could well be appalled at the cost of full-scale tests. Once again, think about small ads.

Shrink your large ads, retaining the same elements. You already know from pages 114–5 that a quarter page can be twice as cost-effective as a full

page; you already know that the headline is by far the most important element in the ad. So all you have to do is retain the significant factors you think the large ads have, and test them smaller.

Many people are reluctant to run a smaller ad. They rue the fact that it won't make as much money. I rejoice that it can't *lose* as much money. So should you.

12 The telephone

What a valuable tool this is, for testing *and* research!

Obviously, it is very easy to split-run appeals on the phone. What is more, good telephone people will be able to tell you, within *hours* very often, which appeals are hitting the mark.

Moreover, as I have already indicated, if you want to find out about how people reacted to your products or your mailing, getting on the phone to them is the fastest way. (And very salutary it is, too, when your readers say with one universal voice: 'What mailing?' Humility is a fine quality to engender in copywriters.)

Frankly, I am astonished at how little use is made of the telephone in our industry. I can see no good reason why, after a mailing has gone out (particularly if it hasn't done well), people do not instantly get on the telephone and ask: *why*?

Within a very short period of time you'll be able to find out. Though you must be very careful to let people tell you their real opinions, not what you wish to hear.

**Get results
in a matter
of hours**

13 Deduction

There is one more way of finding things out from looking at your results. It is called deduction or – in this book – commonsense.

When we were evaluating the first-year results for the Dr Barnardo appeals, we had a wide variety of ads and media to compare. Looking at the figures, a bright media planner working with us observed a significant difference in the results for ads which had coupons in them, and those that didn't. Generally speaking, ads *with* coupons will pull about 20 per cent to 25 per cent more than ads without. In this case, consistently, ads with *no* coupons were doing better than ads with. In some cases the margin was over 50 per cent.

Once again, we had learned that what works for some clients does not work for others. Why? I think it was because the coupon acted, for the reader, like the donation box of a charity worker who is collecting on the street. If you don't want to give, you cross the road to avoid it – you miser, you!

Following from this, we set up some split-run tests to see if taking the name Barnardo's in the ads and setting it small, instead of as a display logo, would get us better results. It did not. From this I deduced that people are

**What works
for some
doesn't work
for others**

happy to read about the good work Barnardo's does, but put off by that rattling collector's box. However, once they've read they do give, thank God.

There is an important postscript to this story which illuminates yet another instance where I was wrong about something. Upon reading the results of the tests of coupon versus no coupon, I immediately instructed everybody to eliminate all coupons from Barnardo's advertising.

I was forced very quickly to rescind this direction, when somebody more intelligent than I pointed out that one of the objects of the advertising was to recruit names and addresses. Eliminating the coupon was discouraging people from doing this. So the coupons were reinstated.

A FAIR TEST?

People read test results, or even set up tests, in a way that suits their own predilections.

The subject of coupons reminds me of a story I heard about Joe Sugarman of JS & A in the US. You may recall that his ads don't carry them. This always surprised me until I realised that his market is a very special one, dealing for the most part with gadgets and superfluities for the fairly wealthy American. Things like language translating machines and other electronic marvels.

I recall him saying at the European Direct Marketing Symposium at Montreux in 1979 that his best medium is *The Wall Street Journal*. This means that virtually everybody he sells to has a telephone and a credit card, so they buy by using the two.

However, he was challenged upon one occasion about the dropping of the coupon. He replied to the challenge by setting up a test. He ran one ad with a coupon and no phone number; and one with a phone number and no coupon.

A pointless test

If this story is true, it was a pointless test. The real question is, as you will already have realised, what happens when you run a coupon *and* a phone number as against a phone number and address alone. (As a matter of interest, the coupon, because it signals there is a direct offer, tends to boost response if it is boldly outlined or made bigger. Even a dotted line around an ad will boost response. A simple flash stating 'This is a direct offer' helped one company to increase their responses. Moreover, the coupon itself will increase readership – but that is another subject dealt with elsewhere.)

To revert to my original point in this section about using judgement – or commonsense – in evaluating tests, you may imagine that the best way to test whether coupons did or did not help Barnardo's would have been to use split-run tests. The problem was that we were not *expecting* the result that occurred and it was against all our previous experience – against the 'rules'. We would never have considered testing it in the first place.

It is worth bringing out one other issue in connection with coupons. In a split-run, if one ad has a coupon and another doesn't, then the ad without the coupon has more space for the copy. This means it could be made more

effective by using the additional space – so the split itself is invalid: it doesn't compare like with like.

The only way to do this is to pay the publication to run a piece of ordinary news copy in the space that would have been occupied by the coupon. This would be extremely expensive – even if the newspaper could be persuaded to cooperate. In the case of Barnardo's, the results were so overwhelmingly decisive that this was not a problem. However, this issue can crop up in other ways.

On one occasion we wished to discover for a client whether we could squeeze a full-page ad which ran across five columns into four columns. We arranged to run a column of editorial copy (which we wrote ourselves) down the fifth column, and conducted the split.

The results were quite clear: there was no difference between the four columns and the five columns. Once again, we had to look carefully at the results before deciding what to do next. In practice, we discovered that the rates we were able to obtain for full pages by careful media negotiation meant it was not worth bothering with the smaller space even though in theory it might be more economic.

What I am saying is: first get your results, then evaluate them – very carefully. This is the subject I am about to go into, but not before making one simple point. This is that the simplest type of test is what I call 'have a go' testing. Sometimes you don't have the time or the money or even the media available to test. The temptation then is to be negative – not to try something new. Don't give in to it. Always try something new if it looks like a good idea. Every now and then you will come up with a winner.

**Evaluate
carefully**

A TRUE AND PROPER RECORD

I have been left speechless more than once by the way in which otherwise sophisticated companies keep (or fail to keep) their advertising records. One famous computer company could do practically anything, it seemed, except tell you what the results were. One big publisher had no record of results at all.

Once the excitement of running the ad is over, people are often quite happy to leave it to the office junior to keep the record of what happened. If the results are bad, everyone wants to forget. If the results are good, why waste time working out just how good they were? So another year of potential knowledge is lost.

Yet keeping records is no great affair. Most mail order companies have a system. You can work one out quite simply. It merely needs to record *everything* about the particular communication and *everything* about the results.

It has to be a true and proper record. It doesn't matter whether you keep it on paper or on computer: accuracy and detail count.

**Accuracy and
detail count**

- A copy of the mailing, insert, ad or details of the commercial.

- Details of when and where it appeared, or was mailed.
- How it was posted, and how people were asked to reply. Reply-paid, stamped, first class, second class, no stamp, telephone, Freephone, and so forth.
- Weather and any political or heavy news events or holiday period that might have affected results.
- Position of ad. Whether it backed on to another coupon. The same consideration applies to inserts: how many other inserts did it go out with? What was the environment?
- Results day by day and cumulatively.
- Conversion rates day by day and cumulatively.
- Anything else your commonsense tells you is relevant. When you see a result which seems to you bizarre or unexpected, take a closer look. Take a good look at the publication and all the other circumstances surrounding that particular result. You may find something you had not bargained for – like a competitor's ad or mailing on the same day.

Your results are the most valuable thing in your office apart from your mailing list. They are your map of where you have been, and your compass to where you should go. *Don't* leave them to the office dogsbody. Keep an eye on them constantly.

Follow up conversions and customer behaviour

You will find results exert a hypnotic effect on you, like racehorse form guides for gamblers. So although you must study them, don't waste time poring over them in the hope that they will look any better. They never do.

Initial results may mislead

However, a word to the wise. You must return to your results regularly, because – as I pointed out when talking about one of my businesses which failed – what may at first sight appear to be happening could be misleading. For instance, advertisement A may be producing twice as many inquiries as advertisement B, and three times as many inquiries as advertisement C.

When you come later to analyse the conversion into *sales*, you may discover that in fact advertisements B and C are converting much better than advertisement A. You may then conclude that advertisement B is your best bet.

The wise businessman will then review the value of those sales over a period of time. It may then emerge that advertisement C is in fact the most effective of all because it produces sales of a far greater *average value*, or customers who tend to *spend more*, over a period.

Does this sound to you like a scenario I have dreamed up to make a point? Well, it may: but I can tell you it is taken from an actual case-history.

This leads on, of course, to the next question – how *soon* do you know enough to be able to act upon your results?

How soon can you tell?

People unfamiliar with our business expect all the replies to come in immediately. They don't. One spends frustrating days (or even weeks) trying to guess what the eventual results will be. However, there is a certain point with most response figures when sufficient numbers are in for you to be able to make a judgement of what the eventual total will be.

You will find that every medium is different, but *all* media have a response pattern. That is, after a certain period a certain percentage of your replies will normally have come in. And you can be sure that by and large this pattern does not vary much from ad to ad or from mailing to mailing.

The only variation I have noticed is that the most successful 'pullers' seem to do better than average. They will have a longer period during which they pull, reach a higher peak, and keep near that peak for longer. The flops reach a peak sooner, and tail off faster.

The problem is that every business appears to have slightly different figures on this, just as every medium does. You will have to find out what is true for you. However, the basic principle is that the more immediate the nature of the medium, the quicker the responses.

Obviously, on the phone they are instant. In broadcast media, after a week you'll have had the overwhelming majority of your replies. The daily paper may produce a third of its response after a week. For a weekly, it may take a fortnight to reach that point. For a monthly it may take three weeks – and so on.

In the same way, your direct mail responses will come in faster or more slowly depending on whether you mailed first class or second, and whether you had a first class or second class reply vehicle. You could have half your replies in after a fortnight – or only a fifth. Catalogue orders are even slower. They take months to come in.

To add another piece of uncertainty, orders come in more slowly than enquiries (a decision to enquire is obviously easier to make).

**Every
medium is
different**

Every case different

If all this sounds as though I can't tell you what's likely to happen, you're right. Every case is different.

In addition, whilst your postal service may be very keen to develop direct mail, they could well have great problems in maintaining the quality of the service. So day-to-day results may be very erratic.

The important thing to remember is that the overall response pattern does not tend to change. You can rely on it, except when major news events depress response fortuitously.

The other important thing to remember is **the results must be read carefully.**

Crazy mathematics

Let me give you another example. It comes from one of the world's most famous companies, and I won't embarrass them by naming any names. This just goes to show how easily you can make mistakes.

When they came to see us, we asked if they had tested personalisation. 'Yes,' they replied. 'It doesn't work for us.' We were surprised. We asked what the results were. 'It cost us an extra 15 per cent. And it only pulled an extra 15 per cent.'

They had never taken the next step: 15 per cent extra response brought in infinitely more in money value than the 15 per cent added mailing costs. In the intervening period they had lost a fortune in potential revenue.

As a child, I was an appalling mathematician. This business has made me quite a passable one. But to get a true understanding of this vital subject, I would suggest you read someone who knows far more than I do. Julian Simon's book, *How to Start and Operate a Mail Order Business*, gives a splendid exposition of this, and all the other mathematical aspects of this business.

His book (unlike many other worthy volumes on this business) makes a very complex business fairly easy to understand; though it can never be everyone's idea of a ripping read.

Nothing is foolproof

It was the British Prime Minister Disraeli who said: 'There are three kinds of lies. Lies. Damned lies. And statistics.'

Sadly, statistics are all we have to go on when evaluating our test results. Even more sadly, they aren't foolproof. There's no *absolute* guarantee that the results of your test will be duplicated when, in the case of a mailing, you project your test on to larger numbers; or in the case of an ad, you re-run it in the same medium.

This is not just because other factors (like changes in the weather, or the news, or public interest) may change. It is because testing – oddly enough – is just like gambling. It is a matter of *probability*, not *certainty*.

A matter of probability, not certainty

However, the degree of probability is such that you can predict what is going to happen with a high level of confidence.

Thus, when you play roulette, each new spin of the wheel has no relationship to the last: it is as though every time, the wheel is being spun for the first time. This means that, although you may have had an odd number fifty times on the run, there is no logical reason why the next spin will come up even. However, there is a very high degree of *probability* that it will, and probability is what we are concerned with.

So, with ads and mailings, you want to know what *degree* of certainty you can act on. This is determined by the number of test packages that go out in a mailing and the ratio between that number and the expected level of response. Or, in the case of an ad or insert, the number of replies that

come in and how large the margin of difference is between the winner and the loser.

- In the case of a mailing, the greater the number mailed, and the higher the response rate, the greater the probability that such a response will be duplicated on a second mailing to the same list. Both these factors apply. The result one can most rely on is a high percentage response to a large mailing. The least reliable result would be a low response to a small list.
- In the case of an advertisement, the same principle applies. A small number of responses to a publication with a low circulation is not to be relied on; and vice versa.

There are special probability tables which tell you how much you can rely on the results you get and the sizes of sample you need. Most people like to be 95 per cent certain that the result they got will repeat itself on another occasion. These tables tell you to within what percentage variation such a repeated result is likely.

For example, suppose you are anticipating a 20 per cent response to your mailing. If you mail out 16,972 pieces, the result should be 95 per cent certain of being accurate to within 0.25 per cent either way. Nineteen times out of 20, it should fall within 1.75 per cent to 2.25 per cent.

I have reproduced such a table on the next page. As you can see, tests involving small numbers and modest rates are a complete waste of time. You either need a small number with an extraordinary high response rate for the result to be relied upon for future planning: or where the response is low, you must mail out a lot of pieces.

The moral is that you must always take care your sample size is large enough. Even then, there will be rare occasions when the results aren't to be trusted. This is why experienced mailers never just conduct one test and then 'roll out' in the millions. I'll say more on this below.

What if you are split-testing an advertisement, or an insert? Then, the criterion is the number of replies to each half of a two-way split. The more replies you get, the more you can rely on the difference between the two halves of the response.

Thus, if you only get 100 replies in total, the result is not to be trusted unless there is a difference of more than 20 per cent between the two ads. Whereas if you get 500 replies in total, then a 10 per cent difference should be reliable. So if one ad pulls 275 replies, and the other only 225, you can be 95 per cent sure that it is better.

But *don't* conclude that it is exactly 20 per cent better. We are talking about probabilities, not certainties. To get a clear idea of the difference, you would have to retest several times. Once again, to give you an idea of what I'm talking about I have reproduced a table.

I am indebted to my friends at the UK Institute of Direct Marketing for these tables.

Ensure your sample size is large enough

Table 12.1 Minimum sample size

Allowable Plus or Minus error on Expected % Response	95% Confidence Level Expected Percentage Response from Mailing							
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
.05	86,255	152,100	227,000	301,200	374,600	477,200	519,000	590,100
.1	19,100	38,000	56,800	75,300	93,600	111,800	129,800	147,500
.2	4,800	9,500	14,200	18,800	23,400	27,900	32,400	36,900
.3	2,100	4,200	6,300	8,400	10,400	12,400	14,400	16,400
.4	1,300	2,400	3,500	4,700	5,900	7,000	8,100	9,200
.5	800	1,500	2,300	3,000	3,700	4,500	5,200	5,900
.6	—	1,000	1,600	2,100	2,600	3,100	3,600	4,100
.7	—	—	—	—	—	2,300	2,600	3,000
.8	—	—	—	—	—	—	2,000	2,300
.9	—	—	—	—	—	—	1,600	1,800
1.0	—	—	—	—	—	—	1,300	1,500

The Chartered Institute of Direct Marketing©

Table 12.2 Significance factors in Split-Run Testing

Total Response (ie Test A plus Test B)	95% Confidence Level			
	Significance Factor (% needed for winner to be significant)	Winner	Loser	% Gain
50	64.24	33	17	+94%
100	60.00	60	40	+50%
500	54.47	273	227	+20%
1,000	53.16	532	468	+14%
10,000	51.00	5,100	4,900	+4%
100,000	50.31	50,310	46,690	+1%

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Small numbers demand repeats

People ask me: ‘What do we do about direct mail testing in our market? The lists are very small. To get one of your statistically valid test results we’d have to split up the entire mailing list.’

The answer is that if you have, say, a list of 10,000 names then remember, first of all, you are looking for tests which are likely to yield big differences – 30 per cent or more. Accordingly, take a small sample of 1,000 and split it into two and mail it. Then repeat the same process with the same test and the same numbers. Then repeat it again. The result you get on the first test will not be statistically valid, but it should reveal which mailing is actually better than the other – remembering, again, that we are talking about *big* differences.

The second mailing will give you a closer insight into the difference, and the third a further confirmation. You could draw the analogy with the way that artillery fires ‘ranging shots’ in order to bracket a target.

The idea of repetition is a sound one in any case. Nobody with any commonsense will spend a fortune just on the basis of one test. Ours is a business for cautious people.

Suppose you have a quarter of a million names. Take a small sample to start with – say 10,000 pieces – and see what happens. Then, run a second-flight test with a larger sample of 50,000 before you go the whole hog.

Where you have segments of a list to test, some more responsive than others, you will obviously test the *best* segments first: the better buyers, more recent buyers, more frequent buyers.

I think you will find this pragmatic approach safest and more practical. But your initial test results (and quantity mailed) should be reviewed and determined in conjunction with the mysterious tables 12.1 and 12.2.

Frankly, I find the whole thing rather like alchemy or examining the entrails of chickens for portents. And I still can’t understand why it always seems that however well the test does, the roll-out is never quite as good.

The benefit of repetition

Test the *best* segments first

WHAT TESTING ACHIEVED FOR ME

Three hundred years ago, George Savile, Marquis of Halifax, wrote: ‘Hope is generally a wrong guide, though it is very good company along the way.’

Too many people run their companies on hope, when they should be testing. But a willingness – no, an *enthusiasm* – for testing can achieve great things.

When we first set up in business as Trenear-Harvey, Bird & Watson, we tested two mailings. They determined for us what business we should be in. Then we tried testing telephone follow-ups. We found they got us in to see nearly every single person we wrote to; and nearly 50 per cent gave us work. We tried mailing *without* telephone follow-up. It got us a 3 per cent response. Ads didn’t pay well either.

Tests to use when setting up a business

But our first telephone follow-ups gave us a client who stayed with us until we resigned the account eight years later. They came to see us at our accommodation address. They were not interested in how splendid our offices were. They just wanted to test us. They gave us two packages to work on.

Neither came out on top when tested. But both did well enough to convince the client that they had found a new source of creative ideas. They gave us more tests. And more again.

Eventually, we handled virtually all their business. Our work for them ran all over the world. More importantly, in the late 1970s, over a period of five inflationary years, this company's cost of recruiting new customers was virtually unaffected by inflation. In effect, this was a halving of the real cost; a result only possible because of a continual test programme. Every idea worth trying that we put up, this client tried. That gave us more of a chance, and them more of a chance.

**Your
customers
will tell *you***

If you rely on testing, you don't have to worry about creative flair, or guesswork. Your customers will tell *you*.

In the next chapter, we'll look at some of the things you can test and some of the things you might learn.

Testing Versus Research – and Other Matters

‘The golden rule is that there are no golden rules.’

George Bernard Shaw

‘Always challenge dogma.’

Leonard Freeman

By now, I hope, you will have been persuaded of the virtues of testing. But these virtues should not blind you to the value of research.

I get rather irritated at the lack of imagination shown by many direct marketers. If you tell them a PS generally increases response, they immediately assume *every* letter in *every* mailing should bear such a message. If you point out that reversed-out type is more difficult to read than black and white, they assume you must *never* use reversed type. And, once converted to the joys of testing, many – as is common with converts – become equally dogmatic: ‘There’s no need to do any research; testing tells us all we need to know.’

This is silly. Testing usually tells you what works and what doesn’t – but rarely *why*. You have to deduce. You cannot be sure. Research, on the other hand, will give you strong indications as to how people are likely to react, and why.

If you put people in laboratory conditions you can see how they look at things and read them. You can find out whether the sequence of your work is easy for them to follow and, in a mailing, what order they read pieces in. (After opening the envelope they tend to turn first to the order form to see what they are in for.) Research, too, will tell you whether they *understand* what you’re trying to say.

On one occasion we changed the sequence of pages in a mailing because we discovered that prospects were not reading them in the way we

**Testing tells
you what
works and
what doesn’t**

thought they would. On another, we learned that – contrary to what consumers say – they will spend five or even ten times as much time on a detailed, multiple-piece mailing package as they will on a short letter and order form such as they always claim they prefer.

By conducting *post hoc* research you can often find out why some people didn't reply, why some did, and what kind of people they were. In one case, for a client making a financial offer, we tested two alternative mailings. Both pulled very well, with almost identical results. Each was successful: but why?

Research revealed that one mailing appealed greatly to people with organised, tidy minds and of a conventional disposition. The other appealed to more adventurous and unconventional types. So we could use *both* approaches – and get a better eventual result.

Let me emphasise, though, that you must be careful when assessing research results. You can only base your views on what people actually do, rather than on what they say they do. Thus, repeatedly, consumers and businessmen with one universal voice say they don't read long letters. In my experience and that of every colleague I have spoken to all over the world, nine times out of ten a longer letter making the same proposition will substantially outpull a short one. Of course, the lower cost of a short letter may make it more profitable – but that is a different subject.

**Time spent on
reconnaissance
is seldom
wasted**

Another research red herring is free gifts and sweepstakes. Once again, people deny they are influenced by these things – yet in practice they usually are. So don't expect research to tell you how people will behave. You can, though, learn quite a lot about their *motivations* and even *how* they behave.

In short, as the general said: 'Time spent on reconnaissance is seldom wasted.'

TESTS THAT GAINED AN ACCOUNT

The subject of long letters and sweepstakes brings me to a true story about *Reader's Digest*, which is amongst the most determined and committed testers of all. For my own part I am very glad this is the case. For it was as a result of tests fifteen years ago that Trenear-Harvey, Bird & Watson, gained the *Reader's Digest* account.

When we set out in business, we wrote to *Reader's Digest*, amongst others, offering our services. The marketing director replied politely, indicating that the company had a large internal creative department, and hardly needed us.

However, a year later they called us in and asked us to present our work. Afterwards, we were invited to prepare some work for an encyclopaedia. They gave us samples of the pages and a descriptive brochure to work from.

This was probably the most challenging project we had yet been offered. If we could get a chance to work for *Reader's Digest* it would indeed

be a feather in our caps. Quite apart from anything else, the company as a rule never used outside agencies to work on their merchandise.

Fired with enthusiasm, we went away and worked on the mailing package. We brought it back on the due date, and waited for them to comment.

A week passed. Then another. Then they called us back. The job had been just a test. The encyclopaedia did not exist; it had been *invented* for the occasion to see how we (and four other companies, including what was then the world's biggest agency, J Walter Thompson) would fare. They congratulated us and told us they thought ours was the best stab at the project. My partner and I looked at each other. I knew he was thinking what I was thinking – 'We've done it – we've got the *Digest*. Champagne all round tonight.'

We were brought swiftly down to earth. The marketing director explained that now they would like us to do a *real* test. They had always had mixed results selling records off the page. They wanted us to prepare an ad for a split-run test against their own ad prepared in-house.

This, then, was the moment when we had to deliver the goods. Could we do better than the *Digest*'s own superb creative department which knew the business backwards?

We worked feverishly on our ad, and it was accepted as it stood. ('No point in getting you in if we don't take your advice', observed the client.) Then it went into test in an A/B split in the *Sun* newspaper. Before it ran, we had a chance to see the ad the *Digest* had prepared. It was a bold, hard-hitting ad. I thought we had no chance.

In the event, our ad outpulled theirs substantially. Which shows that even after all these years in the business, I still can't be sure – a pretty good argument for testing.

When the results came in, we *did* break out the champagne. Especially when Victor Ross, the *éminence grise* of the publication, wrote us a letter of congratulations.

Another test

But we still didn't have the business. We had to prepare *another* ad for *another* product, and do *another* split-run. Sometimes this business reminds me of the Greek myth of Sisyphus, who spent eternity rolling a huge boulder up a mountain.

Once again, we saw the *Digest*'s ad before the split-run took place. Once again, everyone in our eleven-man (and woman) agency voted on which would win. Once again, I thought *they* would. And once again, I was wrong – thank goodness.

This time, we did get the business. J Walter Thompson were so interested that their managing director came to see whether we might make a suitable acquisition. It consoled me somewhat that he was no better at guessing split-run results than I, because we put him to the test in our conference room.

Only testing can give you the answer

The truth is that *only* testing can give you the answer, and throughout the period Ogilvy & Mather held the *Reader's Digest* business, they kept testing their ads against ours – they only beat us twice in twelve years.

TWO LAWS OF TESTING

Obviously, if you wish, you can test anything at all. Thirty years ago in the first flush of enthusiasm I used to test obsessively.

I recall testing the headline: 'This fully automatic washing machine can be yours for the price of a twin tub'. I put the word 'New' in front of the headline, and results went up. Then I tried the word 'Now'. There was no difference. Then I tried 'Look'. Still no change.

I was fiddling with the headline; not really changing anything of substance. 'New', 'now' and 'look' all mean much the same thing. You must go for *big* results in testing.

When I tried a radical change, and wrote: 'This fully automatic washing machine can be in your home within seven days', I found a new approach. An approach no *better* than the other one ... but *different*. We could rotate the ads and get more life out of our media schedule and thus, more sales over the period.

From this experience, I drew a lesson; a lesson which leads us to the first two laws of testing. These are:

- 1 Only test a *meaningful* factor.
- 2 Test *one* or test *all*.

The first two laws of testing

Let's look at these two laws in a little detail.

Test meaningful factors

First of all, if you don't test meaningful factors, you risk learning nothing valuable.

What do I mean by meaningful? To answer that, you must use commonsense. A delegate at one of the courses I used to teach asked me whether we had ever tested the effect different *styles* of handwriting would have in a mailing package, where we had added facsimile handwritten notes on the letter.

I thought this was a fairly irrelevant question; and my suspicions of the questioner's intelligence quickened when he pursued the matter at boring length.

Commonsense tells you the thing you have to test is the effect of handwriting itself – is its personal nature likely to increase your results? Obviously, you want to make sure the writing is legible, similar in style (if possible) to the signer of the letter, and that if it is a male writing it should look like a male – and vice versa.

Commonsense should tell you not to test different words that mean the same thing (as I tried to in my washing machine headlines.) Commonsense should tell you to test *real* differences.

For example, in my washing machine ad, we tested putting a baby next to the machine. Results increased. Then we tested putting a baby and parents

against the baby alone. Enquiries *doubled*, to my amazement. We repeated the test, with the same results.

We could never have anticipated such results. Someone told me that the reason might be that an unguarded baby by a washing machine looked at risk. I expected the baby on its own to do better, because I had read that babies increase response. I was wrong. But the test *was* about something meaningful. This is how you get big results.

Apart from looking for big results, you should not waste your tests. That is why I say: ‘Test one or test all.’ Testing *one* means just taking one element in your ad or mailing and altering it.

If you change more than one element, then whatever the result may be, you’ll never know what caused it. Possibly some of the changes you made were helpful, and others deleterious. But the changes might counteract each other. You might even have a situation where a new package or ad appeared to make no real difference to the results, although amongst the changes you made one might *on its own* have improved response dramatically.

Testing *all* means taking the communication and changing it root and branch: adopting a totally new approach in the hope of a big breakthrough. The moral, I think, is: little changes, little differences; and vice versa.

I have spent more time than I care to contemplate sitting in smoke-filled rooms speculating why one package worked and another failed. It can’t happen if you follow the rules.

‘Test one or test all’

Little changes, little differences

When to test what

When should you test one factor; and when should you test all?

Many people whose judgement I respect believe that given the choice between testing one and testing all – because obviously there is a limit to the number of things you can test at any one time – testing a completely new package is the better alternative. However, although this radical route may give great gains, it can also fall flat on its face because you are eliminating all the tested elements you know work.

If you are only going to test one element, then make sure it is a really important one. A completely changed offer. A much larger envelope. A different type of paper.

Let me give you an example of a case where changing the offer made a great deal of difference.

Twelve years ago, for the first time we managed to attract an insurance company to our little agency. The client said he wanted a new approach to his mailings. The new package I wrote was a great disappointment to him. The approach seemed very similar; the content almost identical. ‘I came to you looking for a new approach’, he said to me. ‘You charged me handsomely and all I have is something that’s much the same.’

Limit what you test

**Make
changes you
are sure will
work**

He was quite right. The only major change we made was to alter the first month's terms on his offer, so that people got a month free, where previously they had to pay £1. And we featured this offer on the envelope, which had been blank. The style of presentation and writing was different, but otherwise the content was very similar.

It seemed to me the biggest *single* change we could make was to alter the offer. And it was commonsense – from numerous previous tests – that the offer would do better if featured on the envelope. There was no need to test that.

Our new package increased response by over 60 per cent.

Once again though, there are many occasions when after you have sent out a mailing you can review it and, based upon experience, make changes that you are pretty sure are likely to lift response. These things may not call for radical change, but cumulatively they may make a great deal of difference. They can make a package which *looks* quite similar, but is substantially different. It obviously makes sense.

My suggestion is that each season some of your tests should be single changes to your current winner and others totally new *ideas*. Both are necessary.

A British company in the clothing business which had consistently, year after year, tested small but significant changes to their 'banker' suddenly found their results were falling off. No matter what they did to their successful mailing they didn't seem to be able to come up with the improved responses they needed.

They found themselves in this position because they had previously neglected to try really radical tests. They had a very uncomfortable couple of seasons.

STARTLING RESULTS

Somebody once observed that one of the joys of travel is never knowing what you will find around the corner. So it is with testing.

Before giving you some practical advice on what you ought to test, let me give you some examples of the startling things that can happen.

A great friend of mine, and a long-time mail order businessman, used to run an ad for night-driving glasses. His original headline was 'End blinding headlight glare'. After a while, the ad began to tire, so he changed it. He added one word: 'instantly'. Results jumped 20 per cent.

After another year or so, the new headline began to tire. So he added two more words, to make his headline: 'End blinding headlight glare instantly – for good'. Once again, results went up about 20 per cent.

So you see, even a word or phrase can make a difference. Often, the difference between profit and loss. A good reason for testing copy constantly.

In a series of tests for a mail shot selling garden compost, the following were some of the fascinating results that occurred:

- The name was changed from Cumba to Humush: sales went up 24 per cent.
- The mailing address was changed to a local one for each area (in the same county). A 22 per cent increase was recorded.
- An incentive was offered for a quantity order. Twenty-seven per cent more sales came in. When the premium was offered for quantity as long as the order came in within 24 days, sales leapt up 23 per cent.
- When the premium was changed from a trowel to secateurs, 13 per cent in sales was added. And when the premium was guaranteed, an 8 per cent increase came in.
- Perhaps the most striking results occurred when copy was put on the envelope. ‘Humush for better gardens’ is hardly the most imaginative line I can recall; but it pushed sales up a good 32 per cent. Almost as remarkable, when the incentive copy was put on the envelope, an extra 27 per cent came in. (I am in Ernest Palfrey’s debt for this interesting information.)

**Small
changes add
up**

Why test results don’t ‘add up’

If you review a great many individual test results you might conclude that by adding together a series of ten such tests it’s quite possible to increase the effectiveness of a given communication by many hundreds of per cent. This would be wonderful if it were so, but unfortunately it isn’t – as a statistician would tell you.

What happens is that individual tests when put together in one package in this way cannibalise each other, as it were. Thus, if you take an ad or mailing and make three changes, each of which *individually* increases response by, say, 20 per cent, 30 per cent and 50 per cent you do *not* get a 100 per cent uplift in response. The total uplift will be much lower. It is extremely important, therefore, that you test your new package with all the changes against the old one and check what really happens before you start getting excited.

Some impressive results are possible when you test the *position* of a particular item within a mailing. My former partner Brian Thomas found that when an incentive in a catalogue mailing was presented as a wraparound on the cover, as compared with a loose leaflet, response jumped over 25 per cent.

On another occasion he was amazed to get 11 times as many ‘Member-get-a-member’ names *without* offering a free gift as had previously been possible *with* one.

Why should this have made such a great difference? Quite simply because Brian decided to feature that offer on the flap of the envelope the respondent had to use to send in the order – and he was writing to agents who used to send in orders practically every month. As a result, they could hardly ignore the message.

Throughout this book you will notice that changes which may *appear* extremely small when described can make substantial differences. In order to understand why this is so you should always look at the packages or

**Check out
what really
happens**

Small changes can be significant

advertisements in question. What sounds like a small change can be quite significant – as in the example I have just quoted. For instance, an Italian mailer changed the background colour of a mailing for a collectible from maroon to grey. Response leapt by 50 per cent. The reason for this apparently trivial change having such a large effect was simply that it made the copy much more legible.

But the thing I would most like to impress upon you is that many changes cost very little – sometimes nothing. The important thing is that you decide to test, and you think carefully *what* to test. Which brings me to my next subject.

NINE TESTING OPPORTUNITIES

1 The product or positioning

David Ogilvy, in his ‘old testament’ vein, once observed that ‘the gifted product is mightier than the gifted pen’.

As we have seen, it helps to have a gifted offer too. But improving your product will have more effect than anything else. That stands to reason. After all, your product or service *is* your business. Sometimes, though, you can change your product without changing your entire business. Here are two examples.

For many years I was involved in the swimming pool business, as marketing adviser, copywriter, or advertising agency. It’s an interesting challenge, selling pools in the UK. Rather like selling central heating in Zaire.

Get a better product

My patient and persevering client Steve Liu of Azure Pools found about twelve years ago that things were really getting too tough for comfort. So we had a thoughtful lunch. How could he get more leads? I put it to him that the only way would be to get a better product. Something that no one else in the UK market had. He agreed, and said he was working on it. Meantime, what could we do?

I asked him why he thought people bought swimming pools. He talked about status, and investment, and health. I suggested it was because people wanted to *swim*, which was *so* obvious it was easy to forget.

Accordingly, I asked him whether the pool would cost all that much more if it were a few feet longer – but narrower. ‘Not a lot’, he replied. ‘It’s the excavation and the labour that costs the money.’ So I wrote an ad that said: ‘Four Extra Feet of Swimming Pool, FREE’. That did the trick for a couple of seasons: just changing the product so we could make an offer.

By that time, Steve had arranged to import a new pool from the US, made of a different kind of plastic, which gave him a unique story to tell. That did even better, because it was a genuinely improved product.

Here’s another example.

When my late partner Martin Topley and I were running the Business Ideas Letter, we were looking for a way to make it more appealing to prospective subscribers.

‘Man is a gregarious animal’, the saying goes. People love to belong. Could we create something more than the publication that people could relate to? Something that would give it added value. We started the Institute of Small Business, which offered free advice to would-be entrepreneurs. And we found – as many have done before and since – that a good way to make your service or product more appealing is to start a club.

Start a club

Frankly, we stumbled on the idea almost by accident. But we wrought better than we knew; for over 20 years later all the promotional material sent out by the publisher still sold membership of the Institute, not subscriptions to the publication. We were really altering the positioning of the product rather than the product itself.

Why not look at your product and the way it is presented to see what you might test?

2 Your offer or incentive

I have talked about this at some length already but I return to it happily, since no matter how often I emphasise the power of a good offer, people still underestimate it. It’s quite amazing how much difference changes in offer make. My first experience of this was, by coincidence, also with the Business Ideas Letter.

The power of a good offer

Instead of asking people to pay their subscriptions immediately, we suggested they send us a post-dated banker’s order, so they could try the publication for three months without risk.

Results doubled. The same offer worked for our client Comp-U-Card, who I mentioned at the start of the previous chapter.

On the other hand, when a US charitable foundation tried selling membership by offering a free three-month trial, it didn’t work. One more reason *always* to test. Just because it works for one product or service, it doesn’t mean it will work for all. Or, as they say: different strokes for different folks.

The number of offers you can test is limited only by the power of your imagination.

I have already quoted the late Joe Karbo – a most exceptional copywriter – whose offer was: ‘I’m so sure you’ll like my book *The Lazy Man’s Way To Get Rich* that I won’t cash your cheque for 30 days.’ The ads are still running after over 20 years.

Some of my favourites include: ‘If you don’t like this pipe, smash it, and send back the pieces.’ Or, ‘If you don’t like this book, rip off the cover and send it back for a full refund.’ Or, ‘Double your money back if not delighted.’ I mentioned the penalty or negative incentive. The power of this is so great that the Franklin Mint’s marketing strategy depends upon it: they simply offer a product until a certain close date, after which no more will be sold. In my experience, telling people that they have to reply in seven days or by a certain date always increases response.

The power of the negative incentive

In short, before you test any creative execution, look to test your offer, because it could pay big dividends for you.

3 Price

Many years ago I worked for the late Mickey Barnes, an astute marketing man who rose to become the head of the famous SH Benson agency – only to preside over its demise.

He once said to me: ‘*Price* is creative.’

This always struck me as loose use of language; but what is certainly true is that price can have more effect on results than practically any other factor. For that reason it is also probably true that more testing is conducted based on price variations and price offers than anything else.

In the UK, it is illegal to run two advertisements simultaneously offering different prices – or if not illegal, frowned on by the newspapers, and thus impossible.

Why this should be is not clear to me. My neighbour and I shop differently. By buying at different times or in different shops we can buy the same branded products at different prices. However, there it is: you cannot conduct split-runs on price in the press.

**Price is
subjective**

But you can run split *mailing* tests on price. And price is a subjective thing. What you consider a proper price may not seem so to your customers. Sometimes, your price may seem too high to them; but more often than you might imagine, it can actually seem too low. In the case of Comp-U-Card which I cited, the highest price did best.

You can often charge a very high price where the product you are offering has no direct competitor. For example, the Franklin Mint and similar companies are constantly producing unique products. It is very difficult for a consumer to put a value on these. They are worth what people are prepared to pay for them. One of the cleverest methods of establishing the value of a product has been developed by the Bradford Exchange. They have created a mini stock market of their own dealing in collectible plates. As added reassurance they offer to buy the product back from the prospect at the price paid within a certain period after it was bought.

I recall years ago talking to a shrewd mail order operator who was selling many imported American items in France, but almost always at a much higher price than in the US. I asked him the reason for his policy. He replied: ‘Drayton, if it isn’t expensive, how can it be any good?’

**Ask your
customers**

So: don’t just pick a price that seems right to you. Let your customers decide. Try three or four prices, and see which makes you most profit. Remember, too, that a higher price can always be slashed. It’s not always so easy to raise a lower one – particularly as that low price has set a value in your customer’s mind (and vice versa).

4 Discounting: what works?

Under the heading of price we must consider *discounting*. This can have radical effects on response. I once took part in a seminar on split-run testing. I learned a lot, and made some new friends including Tony Arau, the head of Arau Associates. Like so many successful people in our business, he's a former *Reader's Digest* man.

He showed a series of results relating to price offers. When one organisation slashed its membership price by 33 per cent, responses jumped from 0.65 per cent to 1.20 per cent, more than offsetting the loss of revenue on individual memberships. However, when he tried a half-price offer, it was not cost-effective.

So test different discounts and test how you express those discounts.

A few years ago, our agency was asked to work on the sale of a new business publication. The only change (other than the copy) that we suggested was that the price be raised by 20 per cent, so that we could offer a discount to subscribers if they joined within a certain period. The product was not altered; the ad appeared in exactly the same media. The response was 20 times greater than the previous mailing. The only additional cost was our fee.

Here are several ways of saying the same thing. They will all get a different response. Because what is important is not what you *say* – it is what people *hear*.

Test different discounts

- Save 50 per cent
- 50 per cent off
- Save £11
- Half price
- Buy one, get one FREE
- Two for £22

You might like to know that the 'Buy one, get one FREE' formulation appears to be the most successful, according to a friend of mine who has conducted tests on this.

You can profitably spend many happy hours working out all the many permutations of price offer that are possible. A sort of commercial crossword. Obviously, these permutations depend on the nature of what you are selling. Thus, a year's newsletter subscription can be expressed in many ways. £50 a year. Less than £1 a week. Under £2 an issue if it comes out fortnightly. Or, perhaps, 14p a day.

In one case, we tested whether you ought to include the post and packing charge in the price of a mail order product: eg £47 *plus* £2 postage and packing versus £49 *including* postage and packing.

The change did make a significant difference to response. But this depended upon the price level. Thus, if the addition of postage and packing were to bring the price above the £50 mark, then almost certainly quoting the price plus postage and packing will do better – eg £49 plus £2 postage and packing.

This is simply a matter of commonsense: psychologically £50 is clearly breaking a price barrier. Indeed, the first time I got involved in this question was when I proposed to a client that instead of charging £67 for a product he charge £69 – since to the public it would make very little difference. This certainly proved to be the case, and increased his profit margin substantially.

5 Incentives

A relevant premium rarely fails to pull added response above its cost. By relevant, I mean something likely to be of interest to your prospect – either of *universal* appeal, or appealing to people likely to be interested in a specific product. Thus, clocks seem to be of universal appeal, whereas garden shears only interest gardeners. A sundial might appeal to gardeners and homeowners.

Never give something for nothing

As we saw earlier, the offer of an incentive should be related to some action. Early buying. Buying in quantity. Giving another person's name. Never give something for nothing.

One of our clients offered two mystery gifts to encourage lapsed agents to rejoin the clan: each for a different purpose. One was a gift for replying; one for replying quickly. Fingerhut Corporation in the US used to offer four gifts to their prospects, and for all I know may now offer five, if they find it pays.

Incentives can be offered in steps. So much for buying £10 worth of a product. Something more for buying £20 worth, and so on. You can vary the incentive according to the level of a customer's loyalty, or the nature of their interest in your product, or their demographic or geographic circumstances. Thus, a country dweller could be offered a different incentive to a town dweller; a gardener something different to an angler.

As we learned above, *changing* the premium can affect results quite dramatically, too. So test that as well. But of all the incentives I have seen produce great results, the sweepstake seems to be most effective – though it is not legal in all countries.

I confess I cannot understand why sweepstakes do so well, not being of a gambling nature myself (life is chancy enough already). However, the fact is that they can increase responses dramatically when prominently featured.

Try a sweepstake

So try a sweepstake, and don't be too worried about the fact that you may think your own particular customers are too sophisticated to react to this sort of nonsense. Lots of ordinary people play the football pools each week. But lots of very rich people go to casinos in Monte Carlo, London and Las Vegas. Gambling is a universal source of amusement. What you have to do is try a *sophisticated* sweepstake.

In Britain *The Times* managed to raise circulation substantially by offering what to all intents and purposes was little more than a simple gamble. The trick was that they called it 'Portfolio' and related it to share prices.

A word of warning, though. Incentives of this kind sometimes do not produce the same quality of respondents as a straightforward product sell.

It stands to reason that someone who has been induced to buy as a result of being attracted by big prizes in the sweepstake is less interested in the product itself. (Remember, for a sweepstake, in most countries your customer cannot be asked to buy anything or do anything: that is illegal. However, people always imagine that the buyer stands a better chance than the non-buyer.)

The thing to remember about sweepstakes is that if people are brought in by this sort of device, they are likely to be responsive to the same sort of thing in the future. So when selling them something new, you will need to bear that in mind.

Contests are also a good incentive, with the advantage – in Britain, anyway – that people who enter a contest must buy something, and must exercise some ‘skill or judgement’ – however minimal – in entering. I suspect the quality of contest entrants is marginally higher than that of sweepstakes buyers, since some effort is required.

What about prize structure? I have always understood that the best structure is one where there is a very spectacular major prize, and lots of very small ones. In this way, you combine the large promise with the chance of as many people winning as possible. (Incidentally, the best prizes seem to be *things*, not money, for they dramatise the offer. But people tend to take the money if they win.)

Latterly, I have been told that, on the contrary, the best structure is just to have one big prize and no little ones. But this is a technical subject I am not competent to pronounce on. Test it and find out. A very powerful message is ‘You may already have won ...’. This is achieved by issuing numbers to the people you mail, but holding the draw before the mailing.

Leisure Arts ran a mailing in which everybody won a prize. They could afford to offer a small prize to everybody because, as Lenny Joseph their UK boss once told me: ‘We got 50 per cent response.’

Test and find out

6 Time and number closes

In my experience men fear to lose as much as they hope to gain. That is perhaps why offers which encourage you to act now lest you miss an opportunity are extremely effective.

Many of these offers can be made in conjunction with the price. You can offer a price advantage if the customer orders by a certain time. You can offer the opportunity to avoid a price rise: an exceptionally powerful incentive.

Nearly 20 years ago, one of my clients – Solarbo – was selling bedrooms and kitchens which people had to put together themselves. At that time, the government had just increased the rate of value added tax. We offered to pay the extra VAT for the customer if the order came in within 30 days, with full cash payment.

Act now

Eighteen thousand letters went out. Orders worth £78,000 (a lot of money in those days) came in; with a nice boost for the company's cash flow, since usually many of their sales were on credit.

Another way of motivating people is simply to say that you only have a certain number of the item in stock. This is unquestionably effective. Almost as effective is to set an arbitrary date by which applications or orders must be received. *Anything* which helps to move people out of their lethargy is worthwhile.

7 Your logistics

There are many physical things you can and should test. For example, in the area of media there are a number of significant test opportunities.

For three years the Metropolitan Opera Guild in New York tested television to recruit subscribers. They discovered that not only was television a very expensive way of producing results (for instance it cost \$20,000 to produce an inexpensive commercial, with Placido Domingo appearing for nothing) but that the calibre of subscribers was not as high as those attracted through direct mail.

Direct mail, obviously, can tell a complete and convincing story; the TV operation as compared to direct mail produced a renewal rate from subscribers of 25 per cent as opposed to 75 per cent. One comment made was that responses on television tend to be more impulsive than those made through direct mail.

But quite apart from testing new media themselves there are a number of other things you can do.

Some sensible tests

- Test your media *timing*. Most people get their best results in January and February. But your product or service may be different.
- And what about days of the week? For years, I imagined that after Sunday, Saturday was the best day. The reason for this is that a long time ago, when the newspapers couldn't sell space on Saturdays, they inaugurated the Saturday bargain page.

This page became associated with mail order offers, and in my mind was *the* mail order advertising day. Of course, on Saturday one could also usually negotiate discounts, which was a sweetener.

In fact in the UK Tuesday is the best day for most people, followed by Wednesday, Thursday and Monday, then Friday, then Saturday. But for you, it may be different. In fact, one company selling to DIY buyers and small tradesmen *does* find Saturday the best day.

- Consider size of space. Are you better off having a larger space or two small ones scattered through the publication? Or one small one, flagging a larger one? You'll never know till you try. And don't forget, just because the figures indicate that small spaces are more cost-effective, this may not be

the case for you. Your product may be of such consuming interest to people that the impact of a large space will more than pay for itself.

- How about taking your ad and trying it in the form of an insert in a magazine? Normally, it will pull far more than an ad – maybe three to five times as much.
- Or, if you're running inserts already, try changing their format. An L-shaped insert with the reply-paid card on the foot of the 'L' often works as much as 50 per cent better than an oblong one. And a bound-in insert tends to do better than a loose one, as I have already mentioned.

One of the interesting things about this direct marketing business is that there are so *many* things to try, and you learn so much as you go.

- How about your ad's position? I cover this in my section on the media. This is critical. And certainly you should pay great attention to it. Moreover, the effect of position will vary according to your company and your product. One of our clients finds that his left-hand-page ads tend to do badly. Another finds that the right or left hand makes no difference at all. Why don't you find out what works for you?
- Then there's the vast number of things you can do with catalogues. Every catalogue has its own personality. But where you place items in a catalogue has a radical effect on sales.

Where is the order form? Is it laid out easily enough? Have you tried putting extra blank space in it that people can fill in to give you more orders? Some people find this increases sales automatically.

- What about your mailings? Are you testing enough new lists each season? Are you testing new formats?
- Are you testing the growing opportunities for inserting in other people's packages? In his *Mail Order Moonlighting*, Cecil Hoge, one of the pioneers of modern mail order in the US, recommends this as the cheapest (and most cost-effective) way of getting started in business.
- And are you inserting enough material in your own fulfilment packs? Have you tested the optimum number of pieces? Have you tried simply filling up envelopes right to the postal limit?

So you see, in mere mechanical areas – nothing much to do with 'creativity' – there are huge test opportunities. Don't neglect them.

8 Creative

Sometimes it ain't what you say, it's the way that you say it. And this brings us to the subject of creative tests. Here, by definition, the possibilities are almost limitless, for what we are simply talking about is getting new ideas, or adapting old ones.

What's particularly valuable about creative changes (and particularly copy changes) is that not only can they produce the most surprising results, but

**Try a
different
medium**

**Try many
variables**

**The way you
say it**

often they cost little or nothing to make. In the ads for Pitney Bowes featured earlier in this book, the better advertisement was actually *cheaper* to run because it was in black and white, not colour.

9 Tricks

Some of the most worthwhile tests fall rather between two stools. They are not quite creative; they are not simply mechanical. They involve thinking about techniques which of themselves attract attention. Tricks.

For example there are yes/no stamps in all their various forms. People have found that having such stamps printed in gold can increase response. Others have tried not just stamps, but envelopes; one for your 'Yes', the other for your 'No' (the one you want people to use obviously being a pleasing affair; the other a nasty dun-coloured mess). There are yes/no vouchers, too. All these things tend to work because they involve the reader and force a choice. In my experience, though you get more 'noes' than 'yesses', you do get more 'yesses' overall.

Then there is personalisation in all its various manifestations; cut-outs in envelopes; pop-ups. Or trying a miniature typeface on a miniature letter; or a giant type-face on a giant letter.

The actual *feel* of a package can make quite a difference. A friend of mine tells me that for a giant publishing house they decided to test simply making their insert slightly larger than other people's inserts, and using a heavier weight of paper. He believes that as a result their responses went up 20 per cent.

On another occasion, a paper company, Svecia Antiqua, arranged for a series of tests to be conducted to determine what effect using a different texture of stock has on responses. The answer was that in a series of tests, a textured stock improved results by: 15 per cent, 25 per cent, 32 per cent, 61 per cent and 92 per cent.

On a number of occasions simply changing the colour of an envelope has dramatically improved responses. In my experience, by as much as 20 per cent.

HOW MUCH SHOULD YOU TEST? AND WHEN?

Testing is the kernel of direct marketing

Testing is the *kernel* of direct marketing. The truth is that every major direct marketing business that succeeds does so largely by testing – or a run of quite exceptional luck. Luck is not something to base a business on; if I were you I would try the safer route.

If at the beginning of each season you were to see the number of tests scheduled by a major mail order company, you might be quite surprised. It could easily fill a sheet of A3 paper, typed quite closely. And these are *successful* companies with *successful* products. They know that testing is in some ways more important when you are doing well than when you are doing badly.

Complacency is a poor basis for long-term success. Yet I have often heard people reject a proposed test on the grounds that they were ‘doing very well, thank you’. This is poor thinking. For it is precisely when you *are* successful that you should worry about possible competition.

That’s why you must have a body of knowledge built up from testing which will beat that competition when it comes. Anyone can copy your idea. But nobody can steal your knowledge.

**Build up a
body of
knowledge**

Perhaps you recall the story of the victorious generals in ancient Rome who were allowed to ride in triumph through the streets of the city. Behind them in the victor’s chariot a man was stationed. His job was to whisper at intervals: ‘Remember, thou art human.’

No matter how well you are doing, the day will come when – perhaps for no reason you can fathom – your results suddenly slump. Your control mailing stops pulling. Your winning ad tires. That’s when you’ll be glad you’ve tested some alternatives.

When you are in trouble, it’s natural to test. You have to, in order to succeed. But each year, no matter how well you are doing, you are wise to schedule a good 10 per cent of your budget to testing. More if you can afford it.

Often, it’s a good idea to schedule tests for the off-season. In the summer you can get cheaper ad rates, for example. And having done your tests, you’re ready to take advantage of the results when the best time of year comes round.

The best companies never stop testing.

Your test programme can be compared in many ways with the industrial investment programme of a great nation. Britain and the United States invest only a puny percentage of their gross national product in new plant and equipment each year, whereas Japan invests many times as much. We all know who’s done best over the last 20 years.

A FAMOUS CASE-HISTORY

I started this chapter by telling the story of how we became involved with *Reader’s Digest*. Let me end it by re-printing a speech made by Tony Arau for a Florida Direct Marketing Day a while back. This story, too, is about *Reader’s Digest*. I think it is both amusing and educational. I hope you do too.

Tony’s title for his speech was ‘The world’s most successful direct mail piece – and how it grew’.

The object of the mailing was to get new readers for the *Digest* by offering a reduced-rate introductory subscription. The market was American families with telephones in selected census tract areas.

150 million pennies

Probably the most famous direct mailing piece ever created was the highly successful ‘Two Penny’ mailing used by *Reader’s Digest* in the 1950s.

The famous penny mailing

It was so successful that at the peak of its use it required so many pennies that conventional suppliers and banks couldn't supply the *Digest's* needs (some 150 million pennies a year), so the *Digest* became the first private customer in the history of the US Mint.

But the famous penny mailing did not spring into being, full-blown all at one stroke of genius. And its history is instructive for everyone who plays a role in the creation of direct mail.

'If thou hast two pennies ...'

Back in the early 1950s, the *Digest's* circulation director, Frank Herbert, wrote what remains today one of the simplest but most brilliant direct mail letters of all time. It was known at the *Digest* as 'The Persian Poet' letter, and it began like this:

Dear Reader:

An ancient Persian poet once wrote, 'If thou hast two pennies, spend one for bread, and with the other buy hyacinths for thy soul'.

The letter then went on and, obviously, suggested the *Reader's Digest* as a modern sort of hyacinth for one's spirit, proposing a short trial subscription as a way to discover the pleasures of the *Digest* for oneself.

It was first mailed in a plain, white nine-inch envelope; inside was a simple order card (with the *Digest's* Pegasus logo faintly imprinted in the background); the letter was run in black and red on both sides of a single sheet; a small four-page, four-colour brochure was enclosed.

Since it was a typical *Digest* 'Send no money' offer, the order card had a business reply back.

Worked for several years

The letter worked for several years, undergoing minor modifications from time to time. At one point, the copy line 'If thou hast two pennies ...' was added to the envelope in an oriental sort of type.

When the *Digest's* new book club began at around that time, the Persian Poet letter was successfully adapted for condensed book promotions, too.

Reader's Digest has always been rather paranoid about revealing results of its various promotional efforts (and, within reason, properly so) so actual figures cannot be used here.

Results improved bit by bit

But using a scale of ten to 100 for comparisons, the original Persian Poet letter scored about 35. By adding copy to the outer envelope, sprucing up the order card and the like, response was eventually boosted to a 45 level.

Response slipped

But then, after several major mailings, response began to slip. It had drifted back to somewhere around the 40 level when Frank Herbert retired from the *Digest* and a young *Digest* copywriter named Walter Weintz found himself promoted to circulation director.

Weintz promptly began a series of vigorous copy tests to find a way to either strengthen or replace the fading Persian Poet mailing.

Results were generally disappointing until he tried a remarkably ugly, sort of gold coloured plastic ‘Savings Token’ – really the first of the *Digest*’s famous ‘gimmick’ mailings.

This brought response back to the 45 level, then up to the 50 level by using the token in combination with the Poet copy.

But Weintz felt that he had still not achieved the major new piece he was searching for. And then he thought of pennies.

Horried management

Although the thought of mailing two pennies, twice a year, to nearly every American household with a telephone horrified *Digest* management, Weintz was given the go-ahead (the *Digest* is probably the greatest direct mail testing laboratory in the world).

The early penny tests took three basic approaches.

The first contained two pennies, tied directly to the Persian Poet copy concept (keep one penny to buy ‘bread’, send the other back to buy ‘hyacinths for thy soul’, the *Reader’s Digest*).

A pocket was provided on the order card for return of the penny, and a business reply envelope was enclosed to carry the order card and penny, but the offer was the same, basic introductory subscription ‘trial’ offer.

**The Reader’s
Digest
breakthrough**

Response jumped

Results were dramatic. On our scale of ten to 100, response immediately jumped to somewhere around the 60 mark.

A version was also tried using a single penny (hoping to save \$10 per thousand in the mail cost) – the copy modified to a simple ‘here’s your penny for hyacinths’ approach. It did not do as well, pulling something like 50 on our scale.

Then the two-penny version was tried with a brand new offer, something of the order of 12 issues for \$1.98, we’ll bill you later for \$2.00, and you keep the enclosed 2c as your ‘change’ in advance.

The basic copy and outer envelope were still a variation on the Persian Poet. But response jumped to something of the order of 75.

The *Digest* had its big breakthrough.

Later, the envelope copy was changed to a simple ‘Here’s your change’, with the two pennies showing through a window beneath the copy, and response inched up another five or so.

Poet retired

Eventually, a version was tried using completely new straightforward copy, without any references to Persian Poets – and response went up another five or thereabouts. The Persian Poet, after several years of yeoman duty, had finally been retired.

The new two-penny mailing was successfully adapted for the *Digest’s* Condensed Book Club (‘Your first book for only 8c – just send us a dime for convenience, and keep the enclosed 2c change, in advance’). And it was even used for a couple of the *Digest’s* one-shot book promotions.

Over the years, numerous attempts were made to improve on the basic two-penny piece. One, resurrecting the Persian Poet copy, was tested with two real Persian pennies (actually, they were bronze Lebanese piastres). Another, based on the philosophy that if 2c is good, 5c should be about twice as good, actually included a nickel ‘change’ in advance.

Both were comparative disasters. In fact, if anyone would like to start a coin collection featuring Lebanese piastres, the *Reader’s Digest* can probably provide several thousand cheap.

Staying power

Good copy and good concepts

Good copy and good promotional concepts sometimes have an astonishing staying power.

When the *Digest* bought the RCA Victor Record Club, the first successful new promotional piece was a variation on the basic two-penny offer.

Several years later, *Life* magazine put together a very successful piece which used its own variation – a single penny, showing through a window, with the copy line ‘Here’s your change ... and here’s your chance ... to see life ... to see the world ... to eyewitness great events’. And many other mailers have over the years used the penny technique in any of a number of different ways.

A footnote

Historical footnote: Because the pennies cost more to return than they were worth, the *Digest* attempted to have the Post Office simply destroy undelivered mail. And because some people who didn’t want to subscribe to the *Digest* felt uneasy about keeping the two pennies, the *Digest* ran a copy line urging people to keep the pennies, please, not to return them, even if they didn’t want to take advantage of the *Digest’s* offer.

But the Post Office informed the *Digest* that they could not legally destroy or dispose of the mail containing pennies – the *Digest* had to pay to

have its undeliverable mail returned. And many people insisted on sending their pennies back.

So the *Digest* was stuck with a growing warehouseful of penny mailings – mailings that cost about 4c each to open and salvage the pennies from. It became both a problem and a mild embarrassment.

Then Al Cole, General Manager of the *Digest* and president of the Boys Clubs of America, made his major contribution to the penny game.

He knew the local Mt Kisco Boys Club was struggling to raise money to build a new club building, so he made the kids a deal: if they'd open the mail, shuck the pennies off the cards and separate them into two piles, the Boys Club could keep the pennies and return the cards to the *Digest* to be reused.

At the time, a staggering total of something like 50 million pennies was involved. And the Boys Club of Mt Kisco got its new club house.

Not bad for a cheap little 2c mailing piece.

A footnote to this story: The *Reader's Digest* is *still* using coins – not to mention stamps for the cost of your response – in their mailings. I have seen a UK charity use it recently, and we have used it successfully for a private utility in the UK – it still works. Because, contrary to what some believe, human behaviour changes very little over the years – if at all.

How to Choose Your Agency – and When to Do Without One

'Those who counsel do not pay.'

Flemish proverb

A while ago I saw an article by a Mr Ragu Chellan, in *The Times of India*, about choosing a computer. I have never met Mr Chellan, but I thought he gave a most apposite analogy; one which applies just as well to choosing an agency – or for that matter a mailing house or printer.

How to choose

Deciding to buy a computer is like deciding to get married – the Indian way. You look at a variety of models, you compare attributes, you make a mental checklist of the points you like and the points you don't like, you ask friends and family about the prospective spouse and you try to imagine the situation a few years ahead.

The writer goes on to point out that the first question is not how to buy, but *why*? Once again, remarkably appropriate whether you are considering an advertising agency or a mailing house. What precisely do you want to achieve?

There are circumstances under which I wouldn't recommend an agency at all. The same may apply to using a mailing house. If you have a small operation which you are building from the ground floor up, you may decide to start by fulfilling this function yourself.

In considering any supplier it is certainly wise to review the range of options. Don't do a deal with the first kind face you meet. Don't just go and see one agency – have a look at several.

See several agencies

Certainly ask around. Consult friends, colleagues. Look through the trade press. Visit seminars and conferences to check out the available talent. I am astounded how few people do these things. Indeed, I sometimes think people make significant decisions about suppliers with less care than they

would in choosing a new car. Some, because they are excessively grand, do not deign to take the basic step of going round and having a look at the premises of the people they are proposing to do business with. They deal with the whole thing as though they were hiring a chauffeur-driven limousine.

Very few bother to do the obvious: ask for a list of current clients and go and talk to some of them. Perhaps they are too shy.

One other point Mr Chellan made impressed me particularly. ‘Try to imagine the situation a few years ahead.’ When you choose an agency or any other supplier, then you must envisage what the future situation might be. If it’s a small agency, are they going to be able to cope with your business as it grows? If they’re large, and you intend to stay small, will you retain their interest? Do they have sufficient talent in depth – bright young people – to be able to handle your business over a period of time?

One consideration, of course, that applies to brides and to companies is perhaps the most important of all. Do you actually *like* the people you meet? Do you think you could develop a good relationship with them – a friendly one? You should certainly spend enough time with them to get some impression of what sort of people they are. And not just on a business basis, but if possible socially, too.

**Ask for a list
of current
clients**

AGENCY OR NOT?

Choosing an agency reminds me of a statement made by a French nineteenth century wit, Count Montrond: ‘Beware first impressions; they are almost invariably good.’ Agency people tend to be fairly articulate and often very charming, and are hardly inclined to wax lyrical about their failures when you come to call.

So many factors may be involved in the final decision that it can prove something of a lottery. Here are my thoughts on the matter, having sat on both sides of the fence.

How easy is it to find a good agency? Very difficult, in my view. There is a great shortage of talent. In London, for instance, I consider there are only ten or twelve good direct marketing agencies and another eight or nine in the rest of the country. In the US there is a much wider choice, but in less developed markets choice is even narrower. Try shopping around for a really good agency in Thailand or New Zealand for example. In some cases you may find you are educating the agency as much as they are you.

Unfortunately, agencies themselves are not always that shrewd about selecting their clients. They are often so excited by the idea of getting any business that they will take on all accounts, no matter what size. In taking on either more business than they can handle, or the sort of business they should not try to handle, they are often particularly shortsighted.

A few years ago a small client came to us because he was not satisfied with the service he was getting from a competitor. Had we been wise, we

**‘Beware first
impressions...’**

**Agencies are
not always
shrewd**

would have reflected that our competitor was a man who normally served his clients very well and declined the business. Foolishly, fired by the thought of taking the business away from our rival, we took it on. We soon learned we could no more afford to service it properly than our competitor. We lost money and so did our client because we had barely begun to understand his business before we mutually agreed to call it a day.

Certain businesses are so complex and work-intensive that only you can understand the problems and produce the promotional material economically. This is typically the case with a large publishing organisation with many products selling to small, specialised markets.

**Your budget
may be too
small**

Sometimes, too, your budget may be too small to make it profitable for a good agency. Yet although your business may not be large, your problems are just as important to you as a large company's – and, for the agency, just as demanding. Under those circumstances it's certainly no use dealing with a large agency. They have high overheads. They can't afford to employ top talent on your business. You might be able to locate a good *small* agency – but such gems are rare. What is more, unless your business is going to grow with them, they may prove short-term partners.

**Don't be a
little fish in a
big pond**

Under such circumstances, do it yourself: because you are the only one who cares enough. Do it entirely on your own or in conjunction with a freelance, but don't waste time with an agency. (You may be wondering what is a large budget and what is a small one. Unfortunately, there is no simple answer to this; it depends on the market. A million dollars a year is a huge budget in Denmark. In New York it would be relatively small. When looking at an agency, the best thing to do is to find out how large their average account is. If you are going to be a little fish in a big pond, you should beware.)

Why stay in-house?

Reader's Digest, whom I have mentioned already, plans and creates its mailings in-house. A powerful argument in favour of the in-house operation.

In 1987, a survey of 12 advertisers by Ad Business Reports in America outlined their reasons for having in-house advertising units. They were:

**Consider
these
reasons**

- More control of the process.
- Greater confidentiality.
- More access to company people, products and customers.
- Better knowledge of product or service.
- Direct contact between writer and merchandiser.
- Less likelihood of information being misinterpreted as it is passed along.
- More involvement.
- Greater speed and flexibility. Eg one company took 100 photos, and set up two 16-page catalogues in 15 days for a trade show.
- Creativity which is as good – maybe better.

I hold no particular brief for either in-house or advertising-agency route – I have worked as an agent, and I have run an in-house advertising department in the past.

Unquestionably you can get greater flexibility in-house. One US in-house advertising unit receives sales figures five times a day. Particularly in the retail business it is important to be able to make changes quickly. The market is very volatile. Something as simple as the weather can affect what is happening.

In addition to the benefits cited above, economies can be made. For instance, you need no account executives to mediate between client and agency.

I believe the only drawback of the in-house operation is that it is *introverted*: it is difficult for fresh thinking to emerge. That is where the relatively objective – if less well informed – agency's contribution can be beneficial.

The argument that creativity is as good, often better, is one I find hard to accept. I can think of little in-house creative work of very high calibre. This is because in-house operations tend to pay less money and attract less experienced talent. The challenge and variety of work in the agencies appeal more to young people. However, many talented people start out in-house – working on catalogue copy, for example, which is very good training.

**Economies
can be made**

Us and you

The average marketing man's wife, if asked to define her idea of hell, would probably reply: 'A night out with my husband and a group of his colleagues.' Whenever two or three marketing people gather together, they talk nothing but shop. The agency world in particular is very inward looking.

This navel-gazing attitude comes out nowhere more strongly than in the average agency's presentation. They stand up, thrilled to bits to have the opportunity to talk interminably about themselves, their philosophy, their theories, their staff, their agency's history ... and so on.

This agency weakness of talking about 'us' when the conversation should be about 'you' is very prevalent, and should be stamped out to the profit of all.

Whenever a prospective client comes to see us just because he's 'looking around', my heart sinks. It gives you nothing to get your teeth into.

When client and prospective agency meet, the conversation should always centre around the client's particular needs. Thus both parties are more likely to find satisfaction. The client will get a good idea of the way the agency approaches a problem. The agency will be able to display its prowess. Drivel will be minimised.

Apart from their views on your problem, the thing you want to know about an agency is how they have dealt with others' accounts. For this reason, a presentation of case-histories is usually worthwhile. (I would *insist* on them.)

Don't let the display be confined to vague before and afters: 'Before it was like this; now it's like this, and didn't we do well.' Ask *why* changes were

**Beware
navel-gazing**

made. Look for the thinking more than the general impression. Try to get some facts about results.

Learning what they did for others could prove more useful than wondering what they might do for you – or even speculative work, which I come to next. In addition, if I were choosing an agency, I would also ask if anyone there has worked as a client or has general business experience. If nobody at your agency has ever actually had to face the kind of decisions you face, their advice can only be based on abstract theory bolstered by what they have seen happen to other clients. Is that enough?

SPECULATIVE PRESENTATIONS

When Dr Barnardo's came to see my old agency, THB&W, they told us they had been looking at agencies for eight months, and had a short-list of five, who were putting up speculative work for nothing. Would we like to join them?

We declined with thanks. How could we possibly understand their organisation and activities in a couple of weeks?

Generally speaking I do not think you should request any speculative work unless the agency understands your business very well. On the other hand, I see no reason why a client should not give the agency a full brief on some problem which concerns him, and get the agency to react with suggestions as to the course he might consider. This allows the agency to demonstrate its thinking ability, and gives you a fair insight into its calibre without the ruinous costs of a full-scale creative endeavour.

Where speculative creative work calls for more than a cursory skirmish, it ought to be paid for. If it costs nothing, what is it worth? In any case, why should my existing clients subsidise free work for you when they are paying me to work for them? We generally only work for nothing if we have idle hands, or if an existing client requests it.

One must be honest, however, and admit that the thought of a fat, lucrative account or one with enormous potential erodes one's views on this. Nevertheless, the practice is wasteful; in the end, clients as a group pay for it one way or another.

One way to assess an agency is to pay them to create something you can test against the existing material. If you do this, it's a good idea to give the agency more than one test opportunity. A single test is like deciding a World Cup result on one penalty kick.

**Test against
existing
material**

ORGANISATION AND PROCEDURE

Organisation charts have their place, but what you really want to know is precisely how an agency will *handle* your business. Ask them to show you how a job goes through from start to finish. Try and get an insight into their views on marketing *strategy*, too. Tactical direct marketing is all very well, but only good strategic thinking will build your business.

One thing you may find very confusing when meeting or dealing with agencies is the titles they deploy in such large numbers. Thus, you may well be taken aback when some beardless youth is presented to you as an *art director*.

It started back in the 1920s. Albert Lasker, then head of Lord & Thomas, the world's biggest advertising agency, noticed his people were not winning as much new business as usual. He found a simple solution. He called his account executives in and informed them that as from that moment they were all vice presidents. This had the desired effect: prospective clients thought they were dealing with important chaps and business started pouring in again.

This nifty little idea has been repeated over the years: there is a sort of inflationary spiral on titles. 'Director' in an agency often means little or nothing today.

For instance, when I came into the business over 40 years ago, an art director was very important. He was in charge of the visual output of the agency. Nowadays an art director is just about anybody with some slight visual facility (one of my colleagues denies even this is true). His job is to work with a copywriter to develop creative ideas that sell your product or service.

Indeed, don't be overly impressed with anybody presented to you as a 'director' in an advertising agency without checking what they direct. Thus, you may meet an account director. This does not mean he is on the board of the company. It merely means he directs the handling of a particular client's business, or maybe several clients' businesses.

Above him there may well be a real-live board director. Don't be too impressed by that either: a while ago, one London advertising agency had a staff of 160 and 23 board directors. How much say do you imagine they could have had in running the business? Not a lot.

If you're introduced to a man who is described as a creative director, you should try to find out how many creative directors the agency has. A few years ago there just used to be one. Now some agencies have several. They will all report to some supremo who may well be described as an executive creative director.

It's all harmless fun really; titles in advertising agencies, apart from being popular, don't cost as much as wage rises. But because of this love of titles, it is probably wise to ask your agency for a simple chart which shows you who does what.

**Who does
the work?**

Who will actually work on my account?

One common complaint is that when pitching for the business the agency quite naturally puts up its best possible team – which may not always be the one that will finally be working on your account. So you buy a Rolls-Royce and end up driving an old banger.

Some clients react by insisting on meeting the team that will be handling their account right at the beginning. This is a fair request; but – as in so many

things – a little commonsense must be brought to bear. The agency may not know who they will eventually assign, because they don't yet know your business. In any case, they would be crazy to hire people before they have gained your account.

When a new client with a new set of problems comes into the agency, the best possible thing the agency can do is to put its best brains on to the account. You would be mad to object.

Equally, once the agency has grasped your needs it can quite reasonably turn the account over to other personnel. Knowing what I have learned about agency finance, if the top people worked all the time on your business, then the agency would go broke.

**Ensure
senior
people are
involved**

What you should ensure is that your business always has the interest of the people at the top; and that at least one of them is *personally* concerned about it. The minute you are disturbed about something, speak to that person. Don't sit in your office quietly festering.

Remember, the agency principals are just as anxious as you for your success. If they don't appear to be, then something is wrong. Either with the agency, or you.

The brief

**The
importance
of the brief**

The quality of the *thinking* that the agency delivers to you in a presentation will depend almost entirely upon the quality of the brief you give them. I am going to cover this subject in the next chapter from another perspective. At this point however, let me simply say that unless you have given the agency a detailed, complete briefing on what it is you wish to achieve, and how you are thinking of going about it, then the presentation will never be as good as it might be.

I cannot know *enough* about what it is you plan to do, how you run your business, what problems and opportunities you see. I cannot spend too much time meeting your sales people, your colleagues who understand how you operate. I am delighted to talk to your customers and find out why they buy whatever it is you sell. Every scrap of information you can give to me is worthwhile.

Unhappily, some clients seem to regard a presentation as an opportunity to find out whether the agency can guess what it is they want. It may give a wonderful feeling of power, and even a few moments of entertainment. But it is an almost complete waste of time.

The same sort of clients like to sit in godlike judgement on the agency, reviewing their puny efforts. This is also a waste of time. Discussion as between equals will get you *much* further.

A clear point of view is vital

The best agencies have a clear personality which derives from the people who run them, who choose kindred spirits to work for them, and also have a point of view about what constitutes good work.

When you have a clear view about the business, then you can explain it to your clients and to your co-workers. Everything can be assessed in the light of that view. When new clients come to see you, they know what it is they have come for.

Without such a clear view, you are rudderless, with no idea of where you wish to go, and no idea of how to get there. I think this is important – if only for the selfish reason that when I ran an agency I always preferred to know what I was selling to people and how it differed from the competition.

Agencies are difficult to evaluate in any case. At least if the agency consistently approaches problems with certain criteria in mind and goes about things in a certain way, the client has a feeling for the kind of agency he has chosen. This is easier than choosing agencies simply because they seem to be nice chaps and you like the look of their work, or even because they have lots of people working for them and offices all over the world.

Because there is a grave shortage of high calibre creative people, many agencies are forced to use freelancers. They have no choice. Nevertheless, I think having to go outside to whatever freelancer is available at the time means the agency is unlikely to produce a consistent body of work: a recognisable product.

The only alternative is to do what we used to do in my agency: spend money to train your own people in the fond hope that if you are nice to them they will stay with you. It worked very well.

**Agencies are
difficult to
evaluate**

Presenting ideas

The point at which the agency starts to present the creative work is the moment when the client sits up (after his somnolent period during the media presentation).

Many agencies skate gaily over this period, relying on well-finished roughs and bright colours to get them through. And many clients will depart satisfied with the amount of work evidenced.

But finished roughs are not ideas. They are just executions. And the fact that the agency creative department has produced 20 of them will not make them any better than if they had come up with one brilliant idea on the back of an envelope.

The agency must be able to explain how and why they came up with a particular proposal. That is really what presentations are all about.

Some think they consist of elaborate charts and witty lines. Being a bit of a wag myself, I do enjoy making a presentation a lighthearted affair. But what you really need to hear is why the agency arrived at a particular solution. If the agency cannot tell, then the proposal is merely whistling in the dark. Throw it out and start again.

Far too often, the agency team does not include the people who did the thinking – the hairy art director and nervous writer round the corner. They may not have been invited to bring their uncouth personae to the meeting. They may

be shy (a lot of creative people are better at expressing themselves on paper than in person).

My advice is to coax them out of retreat, offer them a drink (most creative people react to this like horses to carrots) and ask them what they had in mind.

You may even establish that they don't exist: the work was done freelance outside. This in itself begs the question as to how the agency can express its approach to direct marketing when using people they don't control – see page 337.

One more point: waffle is endemic in presentations. Some clients judge thinking by the thickness of the report produced. All agencies know this. Good thinking is better thinking if someone has to compress it. Get your agency to write a brief executive summary. It will make them concentrate, and save you time.

Figures, and large claims

Practically everyone would like to know how well an agency is going to do for them in advance. At some point a client will ask: 'How many per cent do you think this will pull?' No agency likes to disappoint a client, and there is a natural tendency to come up with a figure, if only to satisfy the beast.

Don't settle for promises

Professional clients and agencies both know that results are to some degree in the lap of the gods. Too many factors can influence them. And, if the product is a new one, there is no real basis for comparing with previous experience. So, as a client, beware large claims about results. As an agent, don't make them.

What an agent should be able to explain is what he is doing to make your mailing or ad work better. Has he put in a better incentive? Or a new way of personalising the package? Or a new format?

In short, don't settle for promises. What you want is *ideas*.

Entertainment

When I was young, my parents had a restaurant. My idea of a perfect job was one where I could go to fine restaurants every day. I cannot say that the reality lives up to my dreams, but in my present job we do a lot of entertaining.

Entertaining never gains or keeps business – or if it does, the business isn't worth having. Never entertain a client to say 'please'. Entertain to say 'thank you'. Or just for fun.

Never award or gain accounts through bribery. What can come through corruption can go the same way, and both parties have given hostages to fortune.

PLAYING THE FIELD

There is a longstanding tradition in our industry whereby clients quite happily put out work to several different agencies, as though they were all freelancers, or printers. This is dying out but is still quite common.

A building society talked to a partner of mine a while ago about the possibility of us working for them. At the conclusion of the presentation the building society said: ‘What we plan to do is to try out a number of agencies over a couple of years, and then settle on one we like.’

My partner was tempted (but restrained himself, being a tactful sort of fellow) to reply: ‘Well, we plan to try a number of building societies in the same way and see how *we* get along.’

The fact is that very few clients like the idea of agencies dealing with their competitors, but feel they themselves are immune from such strictures. This is arrogant twaddle. It is not only arrogant twaddle – it is a silly way to go about things.

I am not saying it is a bad idea to give out the odd project to start with before choosing an agency, but to carry on in the same way over a period of time is folly. The reason is quite simple. You end up with a lack of consistency in your communications, no continuing relationship with any given supplier who is dedicated to you – and probably, in my view, very poor stuff. I don’t see how you can maintain your positioning successfully if you are constantly dealing with different people.

Just as it’s unsettling to an agency if a client is constantly hobnobbing with other agencies or seeing their presentations, you are unlikely to get the best possible work from an agency if you are also dealing with other agencies on the same business.

Because of international alignments, my former agency used to work for two organisations we found particularly unrewarding. They both had a rich variety of faults, but they shared this one of dealing with several agencies at the same time.

Some clients think it smart to keep on threatening the agency, either overtly, or implicitly by seeing other agencies’ presentations when they have no real intention of moving. They do this because they believe it keeps the agency ‘on their toes’. I can tell you this is not the case. It simply makes the agency hate you.

The truth is that the analogy with marriage is appropriate. Why should I work caringly for you if you are not faithful to me? More importantly, how can I possibly master all the complexities of your business if you only give me *some* of the problems you have? It goes without saying that just as clients should stick to agencies, agencies should not speak to clients competing with their existing roster unless they are thinking of changing the client.

Of course, very large organisations have many divisions and products. Different divisions will, quite rightly, deal with different agencies. But it is ludicrous for smaller companies to do the same thing. It often happens because it gives fairly junior executives a feeling of power, but a second reason is economic: they can negotiate each time for the best possible price. I think this may be shortsighted. Mr Chellan, whom I quoted earlier, makes an interesting

Avoid lack of consistency

Be faithful to your agency

observation: 'Buying the cheapest may be the costliest decision you ever take.' This leads me very neatly on to the subject of money.

HOW MUCH YOU SHOULD PAY

At one time when prospective clients came to see us, I used to dread the moment when the question came up: 'How much do you charge?' I would reply lamely: 'Well, it all depends – we don't have any standard arrangement with our clients, because they all ask us to do different things.' The reason for the difficulty is that direct marketing work can cover so many more things than simply creating and placing advertisements, as an advertising agency does.

Let me consider three basic ways of charging which I have found work for one type of client or another.

1 Charging by the hour

It is possible to charge by the hour with a different rate of charge for each person working on the account. It is wise in advance for the agency to give the client, once his requirements have been carefully discussed, a rough estimate of how much it is expected these fees will work out at per month.

It is also extremely wise to have an agreement *in advance* that the fee structure will be reviewed regularly: probably fairly quickly after the opening of the agreement, say three months. The reason for this is simple: when a client becomes engaged in direct marketing, very often he discovers more areas of his business where it can be applied. What looked like a sensible estimate to start with becomes unprofitable in two ways. First the agency doesn't make money. Second, they start skimping – and the service suffers.

**Three basic
ways of
charging**

2 Commission plus relevant fees

Where a client is spending a lot of money in the media, it is perfectly possible to work on commission. There will always be hard bargaining about this. I will only say that when a lot of money is being spent, 15 per cent commission is sometimes a high figure, but I have never seen an account really well handled by an agency on less than 10 per cent. In order to make a profit, the agency cuts corners. Some advertisers (particularly in the retail field) offer their agencies a much lower rate of commission. It tends to show in the quality of the work. In short, if you pay peanuts, you get monkeys.

**If you pay
peanuts, you
get monkeys**

Often, in addition to any commissionable revenue from the media, the agency will be preparing mailings, and helping in other areas such as database building. If the budget is a very large one indeed, these activities can sometimes be covered by the commission. If not, an additional fee should be negotiated in advance, based upon hourly rates.

3 An agreed monthly fee

In some ways this is the method I prefer. The agency and client estimate in advance how much work is going to be required, and the agency quotes a figure. Once again this figure can and should be reviewed regularly. But it does give the agency the certainty of knowing what its revenue is likely to be over a period. This in turn enables the agency to plan better for your business. Consequently you should get the best possible deal on this basis, because most agencies are prepared to sacrifice a little bit of revenue for extra security.

Get the best possible deal

Few look very deeply into the charges and the basis for these charges. If one company is charging more than another company – why?

For instance, a large agency may provide a very wide range of services, and consequently charge premium rates. You may be able to call upon the facilities, for instance, of a research department – something few direct agencies offer – or a proper media department. You may also be able to get database advice, and other services smaller agencies may not offer.

It really all depends on what you are looking for. There is an analogy with going on holiday. If all you are going to do is get up every morning at seven o'clock, go touring and not return until late at night, you hardly need an hotel with a very good restaurant. You won't be eating there.

When you are negotiating with your agency you might reflect upon one simple fact. That is that very few agency people – even the principals – get rich. Many clients do.

For this reason, you should not begrudge your agency a decent profit. Indeed, it might be a good idea to model yourself upon enlightened companies such as Marks & Spencer and some of the Japanese corporations, who actually go to a great deal of trouble – even to the point of reorganising their suppliers' businesses, in one famous case – to make sure they earn a good living.

Don't begrudge your agency a decent profit

Payment by results

Does this work? It seems a wonderful idea, and in theory it is. But in practice very few clients are both willing to work on a results basis and also willing to allow the agency to control all the factors that would govern those results. I will touch on this again in the next chapter.

In the advertising field, I note that clients are increasingly looking at this sort of approach. Some large companies have recently started proposing *bonuses* to their agencies in a reaction against the worldwide trend to cutting agency income. For instance, General Foods in the United States a few years ago decided to compensate its agencies based upon performance. The company would pay 14.3 per cent commission for average work, 16.3 per cent for outstanding work, and 13.3 per cent for work judged unsatisfactory. The previous rate was 14.3 per cent.

**High
incentives
get better
performance**

‘Satisfaction’ is defined as how well particular brands sell. I think this approach is wholly laudable, and one or two other major US marketers have started to adopt something similar. Everything we know about individuals shows that companies that offer high incentives get better performance from their staff. I am sure the same thing should apply to clients and agencies.

I look forward with pleasure to the first client who can come and show me how it can be operated effectively in our own business.

MONEY AND TALENT

Creating a full-scale mailing package is just as hard as creating a TV commercial (having done both in my time, I would say it is usually harder). Yet a TV campaign may net the agency commission on many millions of pounds of expenditure, whilst few mailing packages will command more than a few thousand pounds in fees.

As the weight of promotional expenditure shifts more and more towards direct marketing – which it is doing and will continue to do – then clients will find themselves paying increasingly higher fees. Indeed, since 1977 in my experience the fee paid for a mailing pack by a client to an agency has increased many-fold. Yet I still do not think clients are paying enough. It shows in the fact that (in my experience at any rate) people work longer hours and harder in direct marketing agencies than they do in general agencies. It shows in the fact that much of the material put out by direct marketing agencies is still very poor. Only money – and the talent that money will attract – will change this situation.

If as a client you try to get first-class work for second-class money, you will end up paying in other ways. Nobody can afford to have top-class talent working on your account for a £2,000 mailing package unless that talent is churning out the work as fast as the words and pictures come to mind.

TRY TO UNDERSTAND THE PROCESS

Hardly any clients bother to go to the agency and ask to be shown round and have the whole process of putting together their communications explained to them *in detail*.

What is the procedure when you have a complaint? What is the after-sales service like, so to speak? Who precisely are you going to deal with? Take my advice: find out in advance. Who is responsible for which aspects of your direct marketing?

**Spend a
couple of
days at the
agency**

I would make it my business to spend a couple of days at the agency.

The more I think about this, the more it astonishes me. In all my years in the business I cannot recall *any* client at a reasonably senior level spending any considerable length of time inside an agency.

It's crazy really. You might be about to spend millions of pounds with these people, yet you never bother to learn about the intricacies of their business. You never understand as well as you might do why things go wrong when they go wrong – which they always do – and, often just as helpful, who to congratulate when they go right.

I am moved to say that this is probably the most important single piece of advice I can give to you as a client. You will get to know the people in the agency. You will forge relationships with them. They will come to know, and respect you – if you deserve it. They may even end up liking you. They will *certainly* appreciate you taking the trouble.

It is revealing that the only client who did anything like this in my experience did not come himself but sent a junior (and extremely stupid) minion to spend time with the agency. The minion was quite incapable of learning anything whatsoever from the experience. His boss thought sending someone was a good idea. But not good enough to choose someone important.

Which brings us to the next issue: once you've spent all this time finding the right agency, how do you keep that agency and build a good relationship with them?

**The most
important
piece of
advice**

Client and Agency: the Unequal Partnership

'O world! world! world! thus is the poor agent despised.'

Shakespeare

THE IMPOSSIBLE DREAM

There are two words which are misused greatly by agencies talking to their clients. One of them is 'strategy' – usually applied to some minor subterfuge. The other is 'partnership' – referring to a legendary state of affairs, a nirvana of equality between client and agency.

In my years in the business I have rarely come across anything even approaching this. The reason is simple, and is encapsulated in the Flemish proverb quoted at the head of the previous chapter.

Yet not only agencies refer to this partnership, but also their clients. Even clients who are notorious bullies pretend they treat their agencies as equals.

Personally I much prefer the straightforward attitude of one of my former clients who objected violently when a long article appeared in an advertising publication on the subject of his choice of agency. 'Why so much fuss about my choice of a new supplier?' he asked.

He was quite right. The agency *is* just a supplier. And curiously enough, this particular client, despite an attitude which some might see as rather feudal, extended more of a true sense of equality to us than others I have seen, who pay lip-service to the dream of partnership.

Whether you consider you are in partnership with your agency or not, a mutually respectful relationship between both parties is well worth working for, particularly if your business is largely based upon direct marketing. Under those circumstances your communications may compose all, or nearly all, your marketing activity. So getting on well with those entrusted with preparing,

**Build a
mutually
respectful
relationship**

placing or sending them out seems to make a lot of sense. In fact, most intelligent clients take a lot of trouble to keep their agencies happy; whilst *all* agencies, since it is their bread and butter, try to keep their clients happy.

In fact, when my partners and I set up Trenear-Harvey, Bird & Watson in 1977 we always swore we would never deal with any client unless one of the partners liked him, and we all believed the account was worthwhile. If any one of the partners thought any client was behaving like a pig, then we agreed he could resign the account without consulting the others.

In the event this never happened – though we came pretty close to it more than once.

Unfortunately, I have to confess, *liking* a client tends to have a direct relationship to the amount of money he or she has to expend. A client who spends little money and is a pain in the arse is easily despatched. On the other hand, where a client is spending many millions of pounds, the decision is not so easy. One is inclined to search very hard for redeeming features – usually successfully.

Ensuring a stable relationship

If choosing a new agency is difficult, keeping the relationship in good repair is possibly even more so. Yet it is important that this repair is maintained.

Some years ago, the Jerry Fields advertising employment agency in New York ran an advertisement, the headline of which said: ‘At five o’clock, my inventory goes down the elevator.’

The point was that an agency’s stock in trade is its staff. This is what you are paying for. It is very much in your interest that they like you. Yet relatively few clients have the intelligence to get to know the agency’s people.

First, make sure you meet *all* the people working on your business. Not just the principals. The man who is running the agency may be very good at running agencies; this doesn’t necessarily mean he is talented creatively, for instance.

For that reason, quite apart from the people who are deputed to deal with you on a day-to-day basis – the account handlers – do make it your business to get to know the creative people. They are the ones who come up with most of the ideas which will make you rich.

Agency personnel are temperamental creatures. For a client they like, they will work nights and weekends. For one who is arrogant and uncaring they will simply do the level of job that gives them adequate professional satisfaction. Maybe less if you’re a real pig.

It is a red letter day when a client takes the trouble to congratulate a creative team on their work. Few ever do it, but those who do are the ones who get the best work and the best results themselves.

The surprising thing is that it doesn’t take a great deal of effort on your part. One of our clients at Ogilvy & Mather Direct won golden opinions by

**Get to know
the agency’s
people**

**Take time to
praise**

simply sending a note congratulating us on our efforts in helping him reach record sales, accompanied by a couple of cases of champagne. That little investment paid off for months and months. For a couple of hundred pounds he bought himself hundreds of thousands of pounds worth of extra commitment.

JOY RIDE?

Many people imagine that working in an agency is something of a joy ride: a life spent dreaming up wacky ideas, punctuated by an endless series of splendid lunches and dinners.

This may be one reason why advertising does not enjoy particularly great respect amongst the community. UK research I saw some time ago indicated that the public – leaders of industry, members of parliament, the press, consumers – all regard advertising as of less than average merit amongst a wide range of occupations.

This is sad, because we fulfil an essential, if humble, economic function. Certainly our life is not nearly as easy as you might think. In my experience people in our business tend to work far harder than most.

This is reflected in some revealing ways. For example, some years back one of my colleagues sat down with a friend and went through a list of all the directors of a well known Manchester advertising agency since the end of the Second World War. Not one lived to reach the statutory age of retirement, which was 60. In fact, I recall reading with some alarm shortly after getting my first job in an agency that the average life-span of the advertising man was 58.

Many factors conspire to make our life stressful. There is great instability, for although clients do not move their accounts with the frequency one might think after reading an issue of *Campaign* or *Advertising Age*, they do move them more than, for example, accountants' or lawyers' clients do. What's more, they move them for the oddest of reasons very often. More to the point, most agents spend (in fact waste) far more time than they should worrying that their clients *might* depart.

A business of constant deadlines

In addition, our business is one of constant deadlines. You have to plan everything well in advance to meet them – yet clients rarely keep to timetables. Despite this, the creative work *has* to be prepared by a certain date. Then it has to be reviewed to make sure it's OK. Then the client has to see it and everyone worries lest he change it – which he often does, losing more precious time.

Then, of course, there is the production process. The finding of the right photographer, illustrator or director, the selection of the appropriate models: a fruitful field for discussion – and more time ticking away. Then when it's all been done the client has to approve the finished product.

Finally the work appears – a point at which you would have thought we could all relax, having mutually agreed beforehand that what we are doing is right. Not at all. Many clients feel no compunction whatsoever

about unilaterally foisting the responsibility for anything going wrong after the event on to the agent. A distressingly high percentage will shamelessly lie about what they had or had not agreed to previously. In some cases they will do this despite clear documentary evidence to the contrary.

One fertile area for discussion is always the quality of reproduction in the press or print, or the calibre of the direction in the broadcast media. These are very much a matter of opinion, where any one person's view is as good as the other's.

And even then there is the post mortem to look forward to. The results can be pored over and the agency allocated any blame for the consequences.

You may feel from reading thus far – and indeed, when you read the rest of this chapter – that my views are partisan. Of course you are right: 'I can but speak of that which I do know', and what I know is based on 40 years of experience; but I would add that I have acted as a client on occasion and been astonished at the all-round incompetence, shallowness and arrogance of the average agency.

Accordingly, if you are a client and you can put your hand on your heart and honestly say you are not guilty of any of the sins I am discussing, I would be astonished. If you are an agency man or woman, I am happy to declare you guilty without even the privilege of a trial.

**My views are
partisan**

TWO TYPES OF RELATIONSHIP

Are you familiar with the following two-liner?

'What time is it?'

'What time would you like it to be, JB?'

This old joke epitomises a common type of client–agency relationship, where the client is always right.

Years ago I acted as a consultant to a well known agency which held a very lucrative account on this basis. If the client said black was white, then the servile account director would leap to concur. The advertising was created on the basis of the client's whims; the account director was in a constant state of nervous panic, and very rarely sober after lunch.

How could he possibly handle the client's account on any logical basis when the only constant factor was his 'yes' to the client's every request? In the end, the agency lost the account and he lost his job.

The other type of relationship is well characterised in Robert Townsend's lively book *Up the Organisation*. He reports that when he ran the Avis Rent-a-Car business he had a plaque in his office on which was inscribed an excellent advertising philosophy.

It recorded quite simply that Avis would never know as much about advertising as the agency; and the agency would never know as much about car rental as Avis – and from this concluded that except in matters of fact, the company would always take its agency's advice.

**The client is
always right**

As I suggested in the last chapter, although this would be a happy state of affairs, it is not really practical in direct marketing, even if it makes sense in advertising.

Intermingled

Many agents would be delighted if their clients accepted unquestioningly everything they proposed. And many clients would as a result go broke.

In the case of Avis, the agency was simply advising on what sort of advertising to run. Advertising is basically a communications business. Successful direct marketing, however, depends upon many factors beyond the communication itself – factors which are crucial to any organisation, like what sort of prices to charge and what sort of offers to make.

I have met clients who would be only too happy to have the agent take over the worry of finding the right product; deciding on the offer; seeking the incentive; buying it; dealing with the mailing house; finding the right company to computerise the list; setting up an adequate record system ... in fact, almost running the business for them.

But no wise client can afford to resign so many aspects of his business to the agency (though he ought to take advice and pay attention to it). That is because he is surrendering his own function to somebody who can never be as interested in the consequences as he, and who moreover – if we're honest – has a vested interest in encouraging him to spend on promotion.

I also think it is unwise on the part of the agent. One of my friends who ran a successful direct marketing agency in London very nearly went bankrupt as a result of undertaking many of these functions for his client. The volume of work involved made the account unprofitable; the problem being compounded when the client went broke – nearly carrying the agency with it.

The truth, of course, is that agencies' and clients' functions intermingle, it's hard to know where to draw the line between them. Indeed, on occasion my colleagues and I have become involved in all the functions mentioned above for one or other of our clients (though, happily, not all at the same time). As long as we are well remunerated and it is not seen as a permanent arrangement, we are happy to do so.

The business of direct marketing is, as you will have realised already, so fast-changing, moving into so many areas of business – and indeed society – that it's difficult to lay down any binding rules. Compare what happens when you go to consult an advertising agency. The relationship is relatively simple. The agency will plan, prepare and place advertisements for you in exchange for a commission or an agreed fee. You will find it easy to agree also on rates for additional services such as research.

The relationship you set up with your direct marketing agency could involve far more varied factors. But there are certain considerations I think you should be aware of when you are dealing with (or choosing) an agency.

**Agencies'
and clients'
functions
intermingle**

Accordingly, I have set out a list of the areas where I think agencies and clients should be particularly sensitive to each other.

WHERE THINGS GO WRONG AND HOW TO GET THEM RIGHT

Was it sod's law or Murphy's law that stated that anything that can possibly go wrong will? Either way, it is a law which applies with peculiar force to our business. I have noticed over the years nine areas where things go wrong most. They are:

Murphy's law

- 1 No agreement on the criteria whereby results will be assessed.
- 2 Not enough planning ahead – or time given to execute the plans.
- 3 Poor briefing.
- 4 Rotten communication of the brief.
- 5 Too many layers of decision-making.
- 6 Confusion about who gets the money – and how much.
- 7 Passing the buck on mistakes.
- 8 No clear contract between agency and client.
- 9 Mutual suspicion.

1 Judging the results

You are probably familiar with the old Chinese saying about a 1,000-mile journey beginning with but a single step. One thing is certain: you had better make sure that the first step is the right one. That means you must have a clear view of the objective.

Make sure your first step is right

Both agency and client must know what they are trying to achieve and by when, in terms of numbers and money. How much profit are you trying to make? How much money are you prepared to spend? How much is a customer worth to you?

Frequently I have seen any or all of these shrouded in secrecy. What they add up to is the very first of my points: have we an agreed criterion? How are you going to judge the performance at the end of the year? Both of you – agency and client – must know and *agree* in advance if you are to establish exactly how well you have done.

2 Planning – and time

To do a good job you need about six months from the time you first conceive of the need for a mailing to the moment it goes out. And whether you are considering a mailing or a series of advertisements or commercials, time is extremely important.

Don't rush

At Ogilvy & Mather Advertising, I recall it was a principle that the agency should always delay a presentation rather than produce work not up to

snuff. That is wonderful in theory, but there are many occasions in direct marketing where you would have to ignore it for business reasons – like the need to meet a mailing date when results are known to be good, eg the New Year.

Nevertheless, the faster you need something to be done, the more likely it is there will be mistakes. The answer is either give more time, or pay a great deal more money. If you want to get a good job done fast, that means you will have to have the top creative people in the agency working on it. You'll need to pay double rates to studios, photographers, and process houses. Even then you will still run the risk of things going wrong.

The difficulty of thinking ahead

It is difficult to think ahead in a business that is constantly demanding on-the-spot reaction to an unpredictable market place. But if everything is done in a rush, allowing little time for planning, the agency is unlikely to be able to do more than *react* to the client's request. They will not initiate ideas as often as you would like, or they would wish to.

In any case, agencies are often tempted to take on more work than they can properly handle. Their little piggy eyes light up at the thought of increased revenue, when they should be thinking more about their existing clients. But if those clients are constantly inundating them with rush work, that essential thinking will never develop.

3 Vague briefs

I have already dealt with this subject when discussing the matter of choosing an agency. But of course, every job your agency does requires a brief. And I would like to emphasise here that by this I mean a *written* brief, not a verbal one. Verbal briefs are written on the wind, and invariably give rise to dispute and misunderstanding.

The type of verbal brief that is particularly infuriating is one where the agency is invited to let their imagination run freely. Some clients think that agencies regard this as a glorious opportunity. On the contrary, just to say: 'Go and have an idea – any idea – as long as it's amusing, or entertaining, or selling' is far too vague. One needs to know exactly *what* one is requested to do.

Vague briefs result in vague work

Vague briefs result in vague work.

You should be able to give a brief which covers your objective, precisely stated, the background to the job, who you think the target prospects are, and how you think the job ought to be tackled.

Bad clients play the second-guessing game. The agency sits wondering what the client wants. The client thinks he is putting the agency to the test. What he is actually doing is fooling about and wasting money and emotional energy better employed realising (or improving) whatever he has in mind.

Bad clients haven't considered what they want properly, so they keep fiddling with the brief.

Bad clients are weak. Their bosses keep changing the brief over their heads.

Bad agencies put up with all this nonsense for *money*.

What it all ends up in is work produced for no reason with no objective and altered simply for the hell of it. That results in bankruptcy.

If I had to say what *the* most vital contribution to successful work is, it is probably ensuring that agency and client have jointly agreed on the brief before the work begins.

If the brief is wrong, skimpy or misleading, this leads to the next problem: by definition, whatever was in the mind of that person conceiving the project is unlikely to be communicated well.

4 Poor communications

Agency executives often relay your requests inaccurately. This, of course, won't happen if you have a clear, written brief. But sometimes your brief is inadequate simply because the person who actually briefs the agency does not eventually *judge* the work. That's because a junior has been sent to do the leg work whilst somebody much more important is going to judge: someone who may decide the original brief was not right.

You can well imagine how confusing and frustrating this is. And don't imagine it doesn't happen often. I can think of very few clients indeed where this is not the rule rather than the exception. In fact, in the week I first wrote this, it occurred twice on work I was engaged in myself, with large sophisticated companies.

A common problem

5 Hydra-headed indecision

This brings me to the fifth of the areas where problems appear, which I would categorise as hydra-headed indecision. Frequently, clients have too many people involved in making decisions. And unfortunately it is much easier to say 'No' to something than to say 'Yes' – nobody can ever criticise you for something that doesn't run. In the end, there is an endless series of meetings and proposals – and an agency which simply doesn't give a damn. They will run anything you approve.

One of the least satisfying clients I ever worked for suffered from having about 94 layers of management, each and every one of which got involved in the judging of creative work, and none of whom knew a thing about direct marketing.

The problem reached a point where one set of artwork had a dozen sets of corrections on it, all emanating from different places. The art director was about to refuse to work any more on the business. We suggested we would not work further with the client unless they paid double the fee, or ran their business sensibly. We parted company. What a relief! The client learned nothing from the exercise. They were even more indecisive with their new agency.

Too many people making decisions

Ideally, decisions should be made by *one person* from *one department* with plenipotentiary power. And just one other senior person as a final arbiter. Otherwise, everything dissolves in duplication, chaos and misery.

6 It may be your money but it isn't his

The agency has all the responsibility, but none of the power

One of the principal factors that bedevil agency–client relationships is – not surprisingly – money. The agency has all the responsibility, but none of the power.

The client may be spending millions of pounds a year on direct marketing. He spends it *through* the agency, and emotionally feels he is giving it to the agency. That kind of money one takes seriously, and expects a lot of service for.

The agency will have the responsibility for this money in almost every sense. Indeed, where the money is being placed through the media, then an agent in this business (unlike any other sort of agent in business) is a *legal principal*. That means that if there is no payment, it is to the agent that the media come for redress, not the client.

This is one of the things that give rise to not infrequent bankruptcy in the advertising agency business – in addition to exacerbating the worries of the agent himself.

Yet although all this money is floating around, the agent will only see a percentage of it. Either a commission, or his fee. This does not alter the client's feeling that he has invested the entire sum with the agent. This simple, if unjust, disparity explains why clients get so excited about their investment, whilst agencies can't really understand why.

Both parties should occasionally give thought to this.

7 Mistakes

You will have realised by now that it is not difficult to make mistakes. Every agency makes them. Every client does.

In fact, in our business mistakes sometimes seem to occur much more frequently than in, for instance, general advertising. This is partly because the technology is evolving very quickly; partly because in a fast-growing industry many of the people on either side of the client/agency divide are very inexperienced. And partly because the mistakes show up more easily: they are measurable.

Admit mistakes

Remember, only God is perfect. Don't kick your agency for mistakes. In most cases, they will be errors you acquiesced in, since you ought to OK everything that is done. Don't pass your guilt on to them. Share it!

When mistakes are made, the agency should admit to them promptly if it is responsible – and vice versa. It takes courage to say 'I was wrong'. The thing to concentrate on is making sure they don't happen again, by working together.

If you change agencies in the hope that your new agency will make fewer mistakes, don't put money on it. They will *certainly* make mistakes when learning your business.

Obviously, I am not saying you should stay with a bunch of half-wits. They won't get any better because you keep hoping they will. But if you have had a good relationship with an agency for a number of years, and they perpetrate a number of awful gaffes, you are almost certainly better off sorting them out than going elsewhere.

8 Legalities

There is a wonderful feeling that overcomes the agency when it realises it has won a new account. Often the effect is so overpowering that mere details like getting a proper *contract* agreed are forgotten.

We have lost a lot of money through not having proper contracts with some clients.

Particular areas where things can go wrong include how much the artwork and the production should cost as a percentage of the expenditure; precisely when payments are due; how much work has been agreed to at the beginning of the contract (often a client gets carried away, commissions more work, then decides he didn't really want it and won't pay for it); and finally, no clear indication of what is and is not going to be done by the agency for nothing. One tiny instance is the cost of travelling to and from the client's establishment.

Get a proper contract

9 Mutual suspicion

I have worked in agencies where people sincerely believed the client started every morning determined to give the agency a hard time. I know this isn't so. I have very rarely met a client who did not want good advertising just as much as the agency does. But the factors I have mentioned tend to create this air of confusion. This feeling of mistrust is where the relationship between agency and client finally breaks down.

How do you create an atmosphere of trust? First of all, you're honest. You say what you think and you ask the agency to say what they think. This includes being honest with the agency when you're fed up. Tell them so. Tell them why.

Next, you *listen* to what they say. Make it clear to them that you value their opinion. If you treat your agency as an equal and confide in them – tell them what your goals are and what your problems are – the agency will identify with you and your ambitions, and feel obliged to perform well.

It is also important to tell them the *results*. Every client judges his agency by results. Every agency likes to know how well the work is doing. If not in actual figures, then by comparison. It spurs people on, and gives them something to aim for. Human beings like goals.

Create an atmosphere of trust

Give clear targets

Years ago, one of our best account handlers left us because the client would never give him any details of his results. He found it too frustrating. When we saw the figures he wanted, we realised how right our account man was. They were dreadful. The client had no idea how much money he was losing.

Without knowledge of the results, your agency is struggling in the dark, and cannot help you.

Build relationships

If you pay attention to all these nine points I've mentioned, you can build a kind of partnership in our business which is so rare, yet so valuable.

If you look at the truly successful marketers – the Procter & Gambles, the General Foods, the Unilevers – you will find they rarely tend to switch agencies. They build *relationships* with agencies.

They realise that constantly switching is an uneconomic way of operating. A great deal of the money you are investing is really being spent to teach a fresh set of people about your business. Far better to have an agency which already has the knowledge, and can spend its time (and your money) seeking better solutions.

That, after all, is what we are all in business for, isn't it?

OTHER TROUBLE SPOTS

Bitching sessions

Sometimes, the relationship between a client and an agency can become so fraught that it is decided to clear the air. Somebody (usually an enlightened person on the client side) says, 'Let's put your chaps and ours together and speak frankly about where we are not doing as well as we might – and see what happens'.

This type of meeting rarely works very well because of the nature of the relationship.

Be frank

Frequently the people on the agency side – all too conscious of where their money is coming from – are far less inclined to be frank than the people on the client side. Some agency people cynically regard the whole exercise as an opportunity for the client to vent his frustrations and use the agency as a scapegoat, after which he will go away happy.

Sometimes, conversely, the agency people are unwise enough to be extremely frank and tell the client exactly what they think. It can often be traumatic. Client personnel who are used to having the agency jump very high every time they say 'frog' are alarmed to discover that the forelock-tugging people they have been dealing with for so long dislike them intensely, and find them an utter pain.

In my experience, sorting out differences is best accomplished by people above the level of the battle. Senior client and agency people speaking frankly about what's going on are able to unite happily as elders in condemning

the follies of their juniors – and they actually have the power to do something about it.

Of course, the truth is that the only real solution is a relationship based on mutual respect: a respect which grows from an understanding on both sides of what each is trying to achieve, and what their respective difficulties are. This requires hard work, commitment and decent people.

A relationship based on mutual respect

Fearless advice

‘To ask advice is in nine cases out of ten to tout for flattery’, someone once said, and it often applies in our kind of business. If your agency always gives you advice which you agree with, then either you are a genius and need no agency, or they are sycophants.

Agencies do a better job and clients benefit more if honest advice is given fearlessly, and accepted gratefully. In fact, I believe, the *major* service an agency should render to a client – apart from creating effective communications – is that of giving sound advice.

Often in general advertising, bad advice is less overtly damaging. The client may never discover that the puns he loves in his ads are a waste of money. But if the client is doing something stupid and you don’t tell him in our business, then the public soon will – by not buying.

Give sound advice

You and your big mouth

I have been at some pains throughout this book to try and avoid any accusation of infallibility. However, I confess that I have – believe it or not – still a few more faults to confess to, which fit neatly under the category of ‘How not to handle clients’.

Tact is one quality I must own up about. Even my best friend would never describe me as tactful. So to do at all well in this business I had to try and alter my personality for the better. I have not always been as successful as I would wish. My enormous mouth has got me into dreadful trouble, especially when combined with my matching ego.

Early on in my career I managed not once, but twice, to get involved in *client politics* with disastrous results barely averted.

First, I took pity on a travel courier working for one of my clients. What a dreadful job he had, I thought. And suggested to him that he bring his literary talents into the agency business. All with the best of intentions.

When he told his boss, that gentleman was not at all amused at my thoughtlessness – trying to seduce one of his best, most underpaid (and therefore profitable) people.

I should have learned from this. But a few short years later I suggested to the advertising manager of one client that his mendacity and incompetence were such that he ought to find another job.

Avoid client politics

His boss forgave me eventually, and became a valued client at our agency. But it was still a silly thing to do.

Never get entangled in the client's internal business. Be everyone's friend and keep your mouth shut.

Indiscretion

Shortly after we started Trenear-Harvey, Bird & Watson, John Watson and I nearly lost us our biggest account through not being discreet enough.

**Confidentiality
is vital**

At a major international conference we quoted figures given to us by a third party about a separate division of our client's business which we did not handle. Confidentiality hardly occurred to us.

After all, the client had not given us the figures. In any case, the account in question was not actually ours. The client did not see it that way at all. He was observed to turn puce with rage. He approached us afterwards, at the top of his voice.

My partner got excited, and threatened *sotto voce* to thump him (thank God he never heard; we kept the account).

Direct marketing companies are very nervous about their figures. Be careful.

Ego

**Avoid
arrogance**

Arrogance is a major failing with people in our business. After I have three successful mailings in a row, I begin to think I am God.

Fortunately, two things prevent this problem becoming too chronic. First, my competitors keep producing work I admire and envy. I realise there are a great many people out there – and they're getting better every day. Second, it's never too long before I write a flop and am recalled to reality.

The characteristic that gives me most problems is one I have never been able to resolve. Some people cannot put names to faces. Some cannot put faces to names. I can do neither. This makes it hard for me to avoid constantly offending clients.

The Future of Marketing: Ten Predictions – and a Health Warning

‘Those who ignore the lessons of the past are condemned to repeat them.’

George Santayana

When I entered advertising with such high hopes in the 1950s, I little realised I would end up in an advertising ghetto located ‘below-the-line’. This rather demeaning phrase refers, in the UK at any rate, to all promotional activities other than advertising. It apparently derives from the way accountants at Unilever used to lay out the annual budget plan: advertising at the top of the sheet, everything else at the bottom, beneath a line drawn on the paper.

We didn’t draw any lines 40 years ago. My first job was to write an ad selling a chain of restaurants. My second, a salesman’s brochure for somebody’s sausages. My third, a mailing to sell seed-cleaning machinery.

But if I could not foresee the mysterious line below which I was destined to sink, still less was I able to predict the remarkable way the mail order business I knew would become today’s direct marketing. If anybody had told me that expenditure on direct marketing would be expected to overtake general advertising by the end of the century, I would have been astounded. As a matter of fact, I will *still* be astounded – for reasons I shall give below.

**Above- and
below-the-
line**

1. Direct marketing will take over

Early in this book, which I first drafted in 1982, I described direct marketing – to my own satisfaction if no one else’s – as ‘any activity whereby you reach people directly or they respond to you directly’.

You’re at the end of the book now, so you may not recall reading that, but you will certainly agree that it is a pretty wide definition. It includes any

message that people can respond to directly and any direct message that they can respond to indirectly – by going to a store, for instance.

Most ads now carry postal or e-mail addresses, or phone numbers, but many are chiefly designed to influence attitudes. Many packs now carry phone numbers – usually free – for customers to call. However, this can be classified as customer service.

**What works
in DM usually
works on the
Internet**

But however narrowly or widely you define it (and such quibbles are probably a waste of time), direct marketing is taking over. One reason is that all transactions made on the fastest-growing new medium ever – the Internet – are direct.

What's more, nearly all the tricks that direct marketers use work just as well, or better, on the Internet. A good example is the 'bounce-back'. Mail order firms use this technique when they put inserts in the packaging they send products out in. It is also a standard telemarketing method.

Using the same principle, if you buy a book on marketing from Amazon.com, they will immediately offer you other books which they think you might like – almost instantly.

In fact, the only technique that doesn't seem to work in both cases is the PS.

2. The Internet will disappoint its wilder advocates

Though I believe that the Internet will disappoint its wilder advocates, I admit that it is a remarkable medium. However, will it ever be more than just an additional medium – like the telephone, fax and 'snail mail' – through which you can reach people and get replies?

Even Bill Gates observed, during World Book Day in 1999, that print has advantages over Web pages. It is easier to read and flick through, and is much more portable. I recall claims made for other new media which made perfect sense at the time, but were proven utterly wrong. Records were going to kill live concerts; television would destroy book reading; video catalogues would be the death of printed catalogues. And 15 years ago Xerox, then my clients, talked about 'the paperless office'.

**Change is
gradual**

When a book is serialised on television, its sales soar; when a record climbs the charts, thousands flock to hear the artist in person. Because life is often dull and business life is often *extremely* dull, we love the idea of sudden dramatic change. But change is usually gradual. Indeed, the influential American business thinker, Peter Drucker, suggested a while ago that new ideas generally take about 40 years to become pervasive.

Take the use of the computer to build and exploit a database. It has been 40-odd years since *The Reader's Digest* started using them – but how many marketers use them properly, even now?

3. Those who ignore direct marketing principles will perish

Soon, every serious business will use direct marketing, not just tactically to retain customers or cross sell, but as an essential tool to launch and maintain brands and businesses.

Major firms like Procter & Gamble – or my own clients, Mercedes – have made direct marketing respectable. Twenty years ago they thought it beneath them. Now they see it as vital, and are starting to exploit its full range of possibilities.

As we have seen, only gradually have marketers begun to understand the discipline. Many stumbled upon it by chance. Some were doing it unknowingly when they sent out direct mail spasmodically, phoned up prospects, or ran couponed ads.

Some sought a measurable return on their investment in enquiries or sales. Others wanted to know which messages and which media were most effective. And recently, fancy labels have lured many – as the following suggests:

I'm still doing direct marketing . . . but I call it relationship marketing now. The clients hated 'direct' because it involved difficult stuff like doing ads that worked and getting sums right. They love relationship marketing. Even they can have a relationship.

That was from Graeme McCorkell, who founded one of Britain's first good direct-marketing agencies and became Chairman of the Institute of Direct Marketing.

4. Direct marketing will be used more intelligently

Many now use direct marketing – but not very well. They will learn to.

Banks will wonder if spending millions on mass advertising is always as wise as selling to one customer at a time through direct marketing. That is how MBNA have become the fastest growing credit card company in the UK, leaving UK banks flatfooted (which I predicted three years ago, by the way).

Retailers, who used to focus on this week's sales compared to last week's, are beginning to realise they are better off making customers and keeping them for longer by talking directly. Most are building databases and trying to exploit them – often through loyalty programmes.

Many of these are little more than long-term systems of bribery. Their real value derives from the information that they can throw up. But as playwright and journalist Keith Waterhouse once noted, 'The belief that knowledge is power is erroneous if there is nothing to be done with the knowledge that you have so expensively taken possession of'.

The many faces of DM

Loyalty or bribery?

Accountants and lawyers can see the benefits

You need to reward individual customers appropriately rather than everyone indiscriminately. And, of course, offer them products and services based on what the database reveals. In this country, Tesco has done it well by launching new products and services based on what they have learned about their customers. Their great competitor, Sainsbury, has done it badly. I've seen little sign of any intelligent use of their database.

One new group of direct marketers is particularly interesting: professional firms – accountants, lawyers and so on. Being very conservative, they are almost the last to realise that direct mail need not be 'junk', but is perfect if you can determine your prospects.

When advising a huge New York accountancy firm, I was astounded that a 'small' new client could be worth a million dollars in fees. A French international management consultancy told me their average client was worth several times more. Plenty of money for sending out intelligent, well-crafted messages to acquire and retain clients.

Most direct marketing is still aimed at the end-user or consumer, but often (as I observed early on in this book), shareholders, employees, wholesalers, members of the trade and intermediaries such as brokers are more pivotal to success. This will be increasingly recognised.

Direct marketing can influence any audience, be used by every kind of enterprise and deployed via any medium. Not *either* direct mail, direct response, the Internet, telephone contact or door-to-door, but *all* of these in a variety of appropriate sequences and combinations.

5. Companies will not only build databases; they will use them properly

This is the moral of the comparison I made above between Tesco and Sainsbury. Tesco had the knowledge and used it. Sainsbury had the knowledge and didn't.

As you may recall, the database means that you can:

- Analyse the characteristics of your customers to learn which are most profitable, then seek similar prospects.
- Record the history of your relationship with particular customers or prospects so that you can say the right things to the right people at the right time, and in the right way.

Learn how to use the database

Unfortunately, firms have squandered millions on databases but too often found them impractical, or – worse – have not known how to use them. They have been seduced by an appealing concept without understanding its practicalities. They will start to get it right.

The full benefit of your own medium – the database – is rarely appreciated. Compared with outside media such as television, it confers unique

controllability. You can use a personal computer to manipulate data about segments within a database, perhaps overlaid with outside geographic or demographic information to plan and target more effectively.

Marketers will realise they, not external service bureaux, should control such a powerful weapon. They will manage their database planning directly. Functions that they have been advised about by agencies can be carried out by themselves.

6. Business will learn the importance of customer value

Most firms manage their marketing to suit themselves, which is crazy.

Take budgets; a firm might take a percentage of turnover or overhead as the right marketing budget. Many are led by short-term thinking. Recognise any of the following?

‘We need more sales volume; let’s spend more money.’

‘We have to send more profit to the US. Spend less on marketing.’

‘Last year, we had a good year. Put up the budgets!’ – or vice versa

‘Our new CEO wants to change the world. Increase marketing spend.’

**Short-term
thinking**

Five years later, ‘Our old CEO hasn’t changed the world. How can we get better figures? Slash marketing budgets.’

Professional direct marketers (many are not, unfortunately) first ask how much the customer is worth. As you will recall from the relevant sections of this book, you can measure how long customers stay with you and how much profit they provide in that time, then discount the sum to determine what you can afford to recruit and retain a customer, whilst at the same time allowing for a profit.

This thinking will start to influence businesses without a direct marketing heritage – because it makes sense. As a matter of fact, I believe this could be one of the biggest contributions direct marketing makes to business as a whole, not just to marketing as a whole.

7. Marketers will realise all customers are not created equal – and act accordingly

The Pareto Principle is not new, we’ve discussed it in this book. However, it still is the case that many marketers have not properly explored its implications.

**95% Of
advertising is
forgotten**

Direct marketing is perfect for reaching lucrative minorities. The classy direct marketing media, direct mail and the phone, are very costly per individual reached. But they are intrusive and memorable.

Again, as we have seen earlier, over 95 per cent of advertising messages are either not noticed or forgotten within 24 hours; but good direct mail is recalled weeks later. A simple one-page letter we prepared for a bank was recalled after a month by 92 per cent of recipients.

In future, intelligent marketers will concentrate more on directly reaching those customers most likely to be big spenders.

8. Marketers will use direct messages for more than just selling

Relevant, thoughtful messages, whether they sell or not, are a service to customers.

Even a questionnaire or phone call asking the customer's opinion can be flattering. Besides being a good form of market research, it increases sales. I have seen more than one firm with poor service retain customers in this way.

**Make sure
you keep your
customers**

This applies to inbound as well as outbound messages. An 0800 number on a pack is a service to customers who appreciate being able to ring up and ask about things that interest or trouble them. The questionnaire (in print or on the Internet) allows you to ask the customer's permission to talk again.

These things keep customers with you, spending more; what is more, they are far more profitable than trawling for new customers. As you know, it is several times easier to sell to the customer you've got than someone identical who is not a customer.

Direct marketers learned that years ago, but most other firms are only now realising it.

9. The mythical 'line' will be erased – and about time, too.

As I mentioned earlier, when I started in advertising, nobody spoke of above or below the line. It's a shame they started to, because it doesn't exist in customers' minds. They don't care how you categorise your messages.

**Adapt to
different tasks**

When I was writing ads or salesmen's brochures or mailings, I was writing different types of message to different audiences with different objectives. In every case I was talking to customers or potential customers. Just as I had to alter my style to fit the needs of different clients, why should I not be able to adapt to each task?

Again, as we have seen, if all your messages work in concert, great synergy results. The same tone of voice and look, careful timing, consistent positioning, result in two plus two plus two making seven or eight.

10. Marketers will stop claiming to love customers, and act like they mean it

That dire new piece of jargon, ‘customer-centric’, reflects a truth: the customer should be at the centre of our world.

When experts waffle about ‘Customer Relationship Management’ (more dire jargon) we should remember that really customers manage us – right out of business, if we’re not careful.

The customer is the centre of our world

LITTLE MORE COMPETENCE

One reason why I have never believed that direct marketing would conquer the world is very simple. There simply aren’t enough good people around to handle the volume of expenditure involved.

One of the great current problems in our industry, quite simply, is the poor calibre of much of our work. Just about anywhere I go in the world, if I am interviewed by a trade paper or newspaper, the question always arises in one form or another – what do you think about junk mail?

Direct marketers loathe the idea of being seen as producers of junk mail. So much so that a while ago a British magazine – *Direct Response* – inaugurated a competition amongst its readers to find a more agreeable phrase for what they produced. Of course, the truth is if people think the mail we send out is junk, then there is not much we can do to alter that view or that expression, apart from improving the quality of that mail.

Poor calibre of work is a problem

HONESTY

Another thing we could do is to start being a little bit more honest with people. All over the world, customers dislike a lot of the ploys we make use of. They may not lose sleep over them, but they do get irritated.

For instance, in a recent survey by the American Speciality Advertising Association International, it was revealed that 85 per cent of business managers had recently been contacted by somebody who told them they had won a valuable prize – as long as they agreed to buy something.

These shrewd, perceptive business folk, it would seem, fell for this knavish trick. Twenty-two per cent did buy something. Of these, 64 per cent later decided their decision was not necessarily all that smart. They thought the products they’d bought were of inferior quality. 62 per cent thought they were overpriced. And 7 per cent of the poor souls never received a product at all.

Until our business outlaws this sort of thing, direct marketing is unlikely to attain respectability. It will still seem to some extent the province of a bunch of fast-talking rogues. Until we recruit better people – first-class people – train them better and improve our behaviour, I do not see how serious marketers are going to pour the vast sums of money into direct marketing which are predicted.

How to attain respectability

**Mail
preference
schemes**

Happily, we are trying to encourage virtue amongst the industry as a more palatable alternative to being legislated into honesty. Typical are the various mail preference schemes around the world whereby customers can have their names removed from mailing lists. And the good news is, according to the only figures I have seen, that whatever they may say, only a very small percentage of people at the moment dislike receiving direct mail enough to do something about it. Most are prepared to put up with the occasional irritant in exchange for the valuable information they often receive.

**Invest in
education**

But, as I say, until we have an industry with the kind of reputation which encourages really talented people in large numbers, and has the intelligence to invest in properly educating those people, we will never meet the challenge posed by the future.

That's one reason why I'm sceptical about the degree to which direct marketing is likely to take over. The other is that marketing itself is changing. The marketing of the future will not be broken down into different specialities working independently of each other. Tomorrow's world will be a world of integrated marketing: 'maxi-marketing', as it is tagged in an excellent book with that title by Stan Rapp and Tom Collins. Orchestrated marketing, as Ogilvy & Mather dubs it.

Because ours is, above all, an age of specialisation, direct marketing has come to be regarded as a discipline unto itself. It has been seen, particularly by advertising agencies, as an adjunct to their other activities. They have felt they should be able to supply this particular facility to their clients. This, of course, is quite correct.

But because many of the new direct marketers on both agency and client side come from a background of advertising or conventional marketing, they are beginning to see direct marketing and its relationship to the other disciplines in a different way. This illustrates what I mean:

What agencies are doing is not new, but now they are really moving into it [non-advertising developments]. The advertising agency is still the centre of the group – that is the flashy part; and then they are putting out a net to try to find ways of catching up all of that spending.

So it ends up that the direct marketing unit is saying 'Why not put more money into direct marketing?' whereas the advertising people say: 'You need to spend more on advertising.' That is not the consultancy we need.

This comes from an article which appeared in *Advertising Age* early in 1988. The speaker: Michael Reinartz, director of visual communications for Nestlé.

He went on to say:

What could be the agency 10 or 15 years from now? I would not see the agency being the centre part. They may not even be called advertising agencies. A core business, a communication consultancy, does that coordination. It gets involved in understanding what your long-term and medium-term objectives are on brands and products.

They understand what profitability you are after, and within that they will recommend how you should split your money. Then once they have done that, they use those specialist units.

A good example of today's developments is a programme I mentioned earlier in the book for Crest toothpaste in the United States.

This programme uses television to get a direct response and the mail to follow up, but it involves what one can almost describe as 'the trade', in the form of dentists. It doesn't matter to me whether this programme is sales promotion, direct marketing or advertising. What matters is: will it work? (and I have no idea at the time of writing whether it worked or not).

Tomorrow's marketing is going to call for people who understand the *totality* of business. People who have allegiance not to general advertising, or direct marketing or any of the other disciplines. People who are solely concerned (as they should be) with doing a better total marketing job.

In any case, try as you will to draw rigid demarcation lines between one discipline and another, it's impossible. Nor, in a time when marketing is changing so fast, is it wise. To me the important thing is to arrange our marketing to suit not our own definition, but our customers'. And as I suggested at the beginning of this book, you cannot arrange anything to suit your customers other than by trying to treat them as individuals and endeavouring, in the first place, to find out what each individual wants.

Technology has made the growth of direct marketing possible. And similar technology is transforming many other areas of business. For instance it's already possible for people reaching supermarket checkouts to be offered incentives as they leave which relate to what they have purchased. So the idea of reaching people as individuals and dealing with them in a way based upon what you know about them is not restricted to the world of direct marketing. It's happening everywhere.

**A total
marketing
job**

**Reaching
people as
individuals**

FULL CIRCLE

I believe – and I hope – that in the future, people will be expected to do exactly what I was expected to do back in 1957 in my first job. They'll be expected to work within every marketing discipline. They will be expected to understand the role of all communications tools. Some people seem to think the intellectual challenge of doing this is too great; that specialisation will always rule. I do not.

Of course there will always be those who are better at one thing than another. But those who succeed will be those who try to *understand* everything. And this is true of those planning marketing, as well as those executing it. People will be increasingly concerned when preparing direct marketing communications to project an appropriate image: not merely to reflect that created by the general advertising, but help build it. Those preparing general advertising will see it as part of their natural role to try and help enrich the database.

**Try to
understand
everything**

In short, I believe that tomorrow's marketing world will look surprisingly similar to yesterday's. That the approach of pioneers like Claude Hopkins, who saw no boundaries between one discipline and another, will return. I believe that the present era of specialisation is little more than a blind alley. I think it's time we all got back on the right track.

Index

NB: numbers in *italics* refer to drawings, figures, plates, tables, etc

- A/B splits 123, 125, 290, 292, 294, 311
A–Z of building a Web site 166–68
‘above the line’ 24, 357, 362
Ace Gifts & Cards 216
account planners/planning *see* planning
ACTV (USA) 136
Ad Business Reports 332
advertisements 147, 169, 187–202,
219, 220, 221, 222, 238, 281, 291,
304–05, 311, 349, 357 *see also*
media; planning; posters *and*
testing/evaluating
aiming 104
babies in 312–13
classified/small 298
couponed *see* coupons
frequency of 114
layout of *see* creative copy
need to understand 103
paper-set 289
positioning 323
press 237
size of 114, 115, 115–16, 298
split-run 311
success of 103
advertising 15, 81, 82, 86, 89–91,
97–98, 99, 100, 101, 114, 346, 362
see also client(s)/agency; media;
planning *and* posters
agencies/agents 6, 76, 77, 333, 335,
346, 347
aiming 104
as salesmanship 90
bargain offers 54
charity *see* charity advertising
communication 348
direct 114
general 17, 89–91, 109 *see also*
positioning
insurance 273
Internet as medium 151
objectives 96
precise 97–98, 99, 100
press 237
publications, guidelines for 140
recruitment 55, 61
‘salesmanship in print’ 15
strategy 96
television 126–29, 156
Advertising Age 2, 137, 150, 346, 364
after-sales service 57
agencies/agents 37, 80, 124, 127 *see*
also choosing an agency *and*
client(s)/agency

- advertising 6, 76, 115, 164, 213
- budget 332
- choosing *see* choosing an agency
- direct marketing 173, 260, 348–49
- estate 53
- fees 340–42
- mailing house 330
- staff recruitment 61
- understanding the process 342–43
- versus in-house 331–34 *see also* in-house
- AIDCA (or AIDA) (Attention, Interest, Desire, Conviction, Action) 215, 220, 238
- Albert, Chris 292
- Amazon.com 150–01, 162, 239, 358
see also Web site(s)
- American Express ix, 18, 69, 79, 81, 85, 86, 126, 133, 177, 193, 198, 215–16, 254, 260
- Gold Card 193
- American Speciality Advertising Association International 363
- analysis 176–77 *see also* database(s)
- regression 176
- Apple computers 54
- approach(es) 2–5, 48, 85, 100, 113, 218–19 *see also* creative copy; ideas; planning *and* positioning
- amateur 2–3
- awareness *v* sales 3
- consistent 274
- copywriting 259–60, 293
- coupons 4
- customers prefer coupons 4–5
- difficult 3–5
- evaluate media 4
- negative 273
- personal 100
- personalised 48
- response devices 4, 5
- to planning 93, 95
- valuable discoveries 5–6
- why results matter 3
- Arau, Tony 319, 325
- Arau Associates 319
- art directors/direction *see* directors
- attention, attracting 221–28, 234, 235, 238 *see also* customers; gimmicks *and* ideas
- attention-grabbers 271–74 *see also* layouts
- Auld, Malcolm 220
- Australia 65, 218
- Automobile Association 35, 45, 117, 182
- automobiles *see* car industry/cars
- Avedon, Richard 251
- Avis Rent-a-Car 347, 348
- Avon ix, 47–48, 50, 199
- Ayer, Mani 281
- baked beans 23, 35, 52, 78
- Baltimore Technology 151
- banks/banking 19, 52, 53, 130, 161, 216, 359, 362 *see also* direct marketing *and* getting started
- Banco Comercial Português ix, 200
- Co-operative Bank 161
- Credit Lyonnais 231
- Egg 161
- First Direct Bank 19
- Harris Bank 231
- Lloyd's Bank 231
- Marine Bank 231
- Midland Bank 19
- Royal Bank of Scotland 19
- Trustee Savings Bank 183
- Barclaycard *see* credit and charge cards
- Barnardo Publications 57
- Barnardo's, Dr 57, 221, 276, 292, 299, 300, 301, 334
- Barnes, Mickey 318
- Barnes & Noble 151
- Barton, George 81
- BBC 149
- BBDO (Batten, Barton, Durstine and Osborne) Direct x, 81
- Belgium 65, 96, 191, 218
- 'below-the-line' 24, 65, 357, 362
- benefits 254–55, 156, 221, 260–61 *see also* creative copy
- prime 260–61
- re-stating 230
- Benn lists 206
- Benson, Richard V 290

- Bex Bissell 288
- Bezos, Jeff 150
- Blockbuster Video 164
- BMW 195
- books/book clubs 88–89, 159, 201
- Boots 80
- Bounty Pack(s) 74
- Boys Clubs of America 329
- Bradford Exchange 318
- brand name(s) 261
 - changing 79
 - copy, featuring in 262
 - importance of 36
 - loyalty 204
 - offers 50
 - preference 11
 - response rate 78–79 *see also*
 - positioning
 - which are best? 51
- brief(s) 336 *see* agencies/agents and
 - creative copy
 - quality of 336
 - vague 350–51 *see also*
 - client(s)/agency
- British Army 127
- British Leyland Motor Company 62
- British Rail 84
- British Rate and Data 206
- British Reader* 290
- British Telecom ix, 17, 165, 198
- British Travel Association 211
- broadcast media 126–29, 243–44, 303
 - see also* commercials and media
 - checklist 280
 - copy for 278–80, 283 *see also*
 - creative copy
 - approach 280
 - benefits, re-stating 282
 - consistency 282
 - credibility 281
 - criticism, inviting 283
 - detail 279
 - editing, 280, 283
 - key stages 279
 - length of 278
 - ordering mechanism 282
 - over-writing 278
 - pictures 282
 - plan, keeping to 279
 - presentation 278–79
 - production 279
 - telephone, use of 282
 - timing 278
 - urgency, sense of 283
- demonstrations 128
- effectiveness, pointers for 244
- interactive 136
- off-peak timing 128
- radio 116, 118, 126, 128, 129, 146, 219, 297–98
- response rate 303
- secrets of success 127
- television 11, 110, 112, 118, 123, 126–29, 136, 144, 146, 147, 219, 297–98
- video 136
- brochures 61, 119, 211, 220, 238, 260, 263, 357 *see also*
 - catalogue(s)/brochures
 - travel 20
- brokers 52, 204, 205–06, 360
- Brower, Charles E 77
- Brown, Jerry 8
- budget(s) 30, 113, 253, 332, 361 *see also* agencies/agents; media and pointers for copy and layout
- Buick 287
- building preferences 50
- building societies 52–53 *see also*
 - getting started
 - Savings & Loan, USA 52
- Bullmore, Jeremy 79
- Bullworker 6, 47, 139, 141, 218, 232
- Burnett, Leo 231
- business
 - failure
 - mission *see* planning
 - objectives *see* planning
- Business Ideas Letter 46, 254, 285, 286, 316, 317
- business-to-business mailings *see* mailings/mailshots
- Cabal Communications 134
- Californian Centre for Effective Negotiating 142

- Campaign* x, 2, 133, 346
- Caples, John 151, 152, 221, 227, 228
- car industry/cars 16, 20, 59, 81–82, 94, 116, 157, 159, 188, 195, 204, 231, 287, 347, 359
- cartoons 201, 264, 271
- Castle, Paul 165
- catalogue companies 18, 87, 119, 130
 - mail order 45
- catalogue(s)/brochures 43, 54, 61, 64, 73, 119, 163, 180, 220, 240–43, 295–96, 323, 332
 - Banana Republic 240
 - choosing at leisure from 27
 - finance/logistics 243
 - IBM typewriters 56
 - Land's End 240–41
 - making it different 241
 - mailings 106, 315
 - order form(s) 241, 242, 323
 - personalising 241
 - photographs 242
 - planning 61, 241–42
 - position of letter 241
 - possibilities of 54
 - response rate 303
 - results, boosting 243
 - typography 242
 - video 358
- CDNow 164, 169
- Chambers' Encyclopedia 230
- charge cards *see* charge and credit cards
- charities 223, 247–48
 - gifts to 296
- charity advertising 276–78
 - Christmas 277
 - critical elements 276–77
 - emergencies 277
 - money 276, 277, 278
 - people, featuring 277
 - tax 277
- checklists
 - acquiring names 181–82
 - copy for broadcast media 280–84
 - Web site 163–64
- Chellan, Ragu 330, 331, 339
- Chevrolet 288
- Chinacraft 66, 73
- choosing an agency 330–43
 - agency or in-house 331–34 *see also* in-house
 - brief(s) 336
 - client's needs 333–34, 336
 - entertainment 338
 - evaluating agency 337
 - fees 340–42
 - by results 341–42
 - commission 340
 - hourly 340
 - monthly 341
 - ideas, presenting 337–38
 - meeting the team 335–36
 - organisation/procedure 334–35
 - speculative work 334
 - understanding the process 242–43
 - using different agencies 338–40
- Circuit City 149
- Cisco Systems 146, 151
- Clairol 63
- Click-Here Commerce* 163
- client(s)/agency 344–56
 - account handlers 345
 - advice, giving sound 347, 355
 - agency as supplier 344
 - agency staff 345
 - arrogance, avoiding 356
 - briefs, vague 350–51 *see also* agencies/agents *and* creative copy
 - building relationship 345–46, 348–49, 354–55
 - client politics, avoiding 355–56
 - communication 351
 - confidentiality 356
 - contracts 353
 - deadlines, constant 346
 - financial responsibility 352
 - indecision 351–52
 - judging results 349
 - mistakes 352–53
 - planning 349–50
 - problems and solving them 349–56
 - reputation of agency/agencies 346–47
 - timing 349–50
 - trust 353–54

- closing-down sales 77
- clubs *see* testing versus research
- Coca-Cola 36, 50
- Cole, Al 329
- Colgate Palmolive 101
- Colgate toothpaste 80
- colour, use of 267, 271, 272, 316, 324
- commerce, Internet *see* Internet
- commercials 23, 164, 221, 250, 251, 260, 281
 - radio 237, 244
 - television 18, 19, 127, 147, 230, 237, 238, 244, 256, 272, 322, 342
 - video 129, 298
- commonsense 90–91, 299, 312 *see also* positioning *and* testing/evaluating
- Commonsense Direct Marketing* (1982 edition) 8
- communication(s)
 - messages 179, 203
 - objectives 95
 - poor 351
 - regular 295
 - sequence of 116–17
 - strategy 95
- communication with
 - customers, frequency of 29, 30, 100–02, 106
 - past customers 182, 257
 - staff and shareholders 62–63
- Compagnie Coloniale 56
- Compaq ix, 60, 192
- competitions 182 *see also* sales promotion(s)
- competitors 258 *see also* getting started *and* products
- complaints 258–59 *see also* getting started
- Comp-U-Card 35, 285, 286, 294, 317, 318
- computers 154, 161, 163, 172, 358, 361
 - Dell 54, 148, 163
 - difference between Apple and IBM 54
 - problems 184–86 *see also* database(s)
 - programme(s) 249
 - Toshiba 163
- Cone, Fairfax 100, 228
- confidentiality 356
- consultant(s) 37
- consumer/customer magazines *see* magazines/newspapers
- Consumers' Association 45, 255
- contact strategy *see* direct marketing; planning *and* strategy/strategies
- contests 243, 321
- context *see* direct marketing *and* ideas
- continuing relationships 54–55
 - after-sales service 57
 - bargain offers 54
 - database, use of 55
 - discounts to shareholders 54
 - door-to-door drops 54
 - mailings to existing customers 54
 - making more money 57–58
 - monthly mail shots to trade customers 55
 - people moving home 55
 - recruitment advertising 55
 - regular letters to employees 55
 - targeting direct mail 54
 - trade cards 55
- continuity relationship(s) 45–46
 - charity/political appeals 45
 - club offers 45
 - collector's offers 45
 - credit card applications 45
 - deviated premiums 46
 - free trial periods 46
 - insurance/loan/mortgage offers 45, 73–74
 - membership offers 45
- contracts 353 *see also* client(s)/agency
- controllability, benefit of 25–27
 - economies 27
 - junk marketing 27
 - limiting risk 25–26
 - manufacturing 26
 - retail business 25–26
 - risks of 26
 - testing 26
 - uniform, targeted messages 25
- Co-operative Societies 52

- copy 106, 216, 223
 - building conviction 228–31
 - changes in 323–24
 - creative *see main entry*
 - credibility in 229
 - emotion, power of 230–31
 - good opening 225, 240, 241
 - length of 261–62
 - reading 224
 - word pictures 226–28
- copywriters/writing 11, 28, 61, 72, 98, 133, 179, 210, 213, 220, 221, 223, 229–30, 233, 236, 244, 248, 252, 264, 299, 335, 337
 - pointers for 252–60
 - pride in craft 248
 - tricks/techniques 274–78
 - writer's block 213
- correspondence, reading 101, 102 *see also planning*
- Cosmopolitan* 134
- Cossman, Joe 10
- coupons 266–67, 282, 288, 299, 300–01, 359 *see also creative copy*
- CPV agency 127
- creative copy 231–38, 249–84, 335
 - see also layout*
 - brand name 261, 262
 - central idea 261
 - demonstration of product 262
 - envelopes 262 *see also main entry*
 - formulae for 251–52
 - layout *see main entry*
 - length of 261–62
 - letter 262–63 *see also main entry*
 - openings 260–62
 - pieces in mailing 263 *see also direct mail; envelopes and mailings/mailshots*
 - planning 260–64
 - pointers for copy and layout 252–60 *see also main entry*
 - reading *see main entry*
- Creative Good 155
- creative strategy 96 *see planning and strategy/strategies*
- creative tests *see tests*
- creativity *see copy and ideas*
- credit and charge cards 53, 164, 178, 218
 - American Express *see main entry*
 - Barclaycard 250
 - buyers, socio-economic rating of 178
 - companies 18–19, 250, 359
 - Gold Card 18, 193, 215, 216
 - Green Card 18, 215
 - MBNA 359
 - Platinum Card 18
- Credit Lyonnais 231
- Crest toothpaste 256, 365
- criticism, accepting 283
- cross-selling *see selling*
- Crown Paints 117
- customer(s) *see also continuing relationships; Internet and planning*
 - attracting (to Web site) 156
 - bad debt 180
 - behaviour of 302
 - best prospective 177
 - better service to 27–30
 - building relationship with 21–22
 - buying patterns 157
 - changing trends 22–25
 - single person households 23
 - communication with 29
 - continuing relationships with *see main entry*
 - database of 156
 - dehumanising/grouping people 22–23
 - difference between 21, 361–62
 - friends of (MGM) 186, 203, 315
 - ideal 51
 - individualism, rise of 23–24
 - information from 338
 - interests of 29–30
 - jargon 363
 - letting down 149
 - listening to 102, 308
 - making and keeping 14–15
 - meeting 101
 - orchestrating messages 24–25
 - personal impact and mass communication 24
 - prospective 296

- prosperity, spiral of *see main entry*
 questionnaires to 296–97
 reasons for dealing direct 29
 recruiting 287
 cost of 308
 targeting 256
 technology, impact of 24
 trade 55
 understanding 102–05
 value of 20–21
 waning power of mass media 23
 World Wide Web, using 147–49, 156
 worth (financial) of 30 *see also* prosperity, spiral of
- Daily Express* 141
Daily Mail 214
Daily Mirror 5
 Daniel Starch & Staff 4, 115
 data protection 152–53 *see also* Internet
 database(s) 16, 21, 22, 23, 30, 41, 48, 55, 60, 66, 71, 110, 122–23, 165, 170–208, 359, 360–61
 analysis 176–77
 building 173, 180–86
 computer 172, 358, 361
 problems 184–86
 content of 182, 183, 183–84
 customer names 181–82, 186, 203 *see also* customer(s)
 deduplication 184–86
 developing 177
 dynamic 160
 enriching 176
 list(s) *see main entry*
 marketing 16–17, 173
 markets, less developed 184–86
 Mosaic (Experian) 122
 planning 361
 proprietary 297
 questionnaires, syndicated 203–04
 using 55, 360–61
 value of name(s) 171–72
 your own 295
 deadlines 253, 293, 346 *see also* client(s)/agency
- deal(s) 67–69, 143–44 *see also* getting started *and* media
 per inquiry (PI) 144
 ten good 144–45 *see also* discount(s)
 distress discount 144
 run of week discount 143
 series discount 143
 soft period discount 144
 standby discount 143
 volume discount 143
 rate protection guarantee 144
 solus position 144
 special position free 144
 specified day free 144
 death insurance *see* insurance
 Debenhams Group 57
 debt, bad *see* customer(s)
 Dell computers 54, 148, 163
 della Femina, Jerry 171, 276
 demonstrations 43, 128, 262, 273 *see also* media
 TV and radio 243–44
 Dichter, Dr Ernest 231
 Direct Line Insurance 19, 39
 direct mail 11–12, 15, 46–47, 56, 57, 60, 68, 85, 111, 116, 118–20, 123, 127, 134, 158, 239, 251, 322, 359, 362 *see also* approaches; getting started *and* Internet
 advertiser(s) 148
 as medium 171
 benefits of 118–19
 brochures 46
 catalogues 54
 co-operative mailing(s) 120
 cost effective 85
 door-to-door drops 54, 110, 127, 219, 238 *see also main entry*
 envelopes 232–34 *see also main entry*
 finances of 237
 insert(s) *see main entry*
 letters *see main entry*
 newsletters 48
 one-piece mailer 119–120
 pieces, number of 236–37, 263
 postcode classifications 122–23

- regular mailings 48
- response rates 303
- selling IBM typewriters 56
- targeting 54
- testing 307
- timing of 11–12
- writing 68
- direct marketing 1–12, 13–34, 35–51, 151–54 *see also* customers *and* marketing
 - brand names, importance of 36
 - classic formula for 145
 - communication 29–30, 39–40
 - contact strategy 37
 - context of 14 *see also* marketing
 - continuity relationship(s) *see main entry*
 - controllability *see main entry*
 - defining 15–21
 - definition (by BIM) 19
 - direct mail 28
 - dividing line 17–20
 - banks 19
 - charge/credit card companies 19
 - home loans 19
 - insurance 19
 - investment 19
 - travel 19–20
 - employees/sales force, educating 41–42, 65
 - future use of 359–60
 - how people use it 8
 - ignorance of 7–9
 - Internet *see main entry*
 - lesson in 3–4
 - multi-stage selling *see main entry*
 - nationalities/social groups 218–19
 - objectives, five major 43–44
 - four ways to achieve them 44–48, 49, 50
 - one-stage selling *see main entry*
 - ploy, classic 151–54
 - position of 33–34
 - prosperity, spiral of *see main entry*
 - rise of 6–10
 - role of 37–43
 - brand awareness 38–40
 - current activities/opportunities 40
 - database 41
 - intra-organisational concerns 42–43
 - objectives 37–38
 - positioning 38–40
 - sales promotion 40–41 *see also main entry*
 - short-term thinking 14–15
 - success, steps to 29–30
 - Three Graces of 21–22, 26, 110
 - ability to test response 22, 26
 - building continuing relationships 21–22
 - customers as individuals 21
 - timing of 11–12
 - top management, commitment of 42
 - understanding 9
 - value for money 39
 - versus
 - other activities 17, 40–41
 - shop assistants/sales people 28
 - what to sell 36–37
- Direct Marketing* 15, 287
- Direct Marketing, Institute of 65, 305, 306, 359
- Direct Marketing Institute, Spanish 150
- direct public relations 17–18
- Direct Response* 363
- director(s)
 - account 335
 - art 11, 72, 213, 220, 223, 231, 264, 266, 273, 281, 292, 335, 337
 - board 335
 - creative 335
 - marketing 250, 357
- discipline 214 *see also* copywriters/writing *and* ideas
- discounts 50, 54, 58, 143–44, 159, 256 *see also* deals
- testing 319
- Dixons 80
- DIY (do-it-yourself) 59, 85, 322
- DM News* x
- DMA (Direct Marketing Association) 65
- door-to-door drops 54, 110, 120–23, 127, 132, 204, 219, 238, 360 *see also* direct mail

- magazines 122
- postcode classifications 122–23
- pros and cons of 120–22
- Dr Williams' Pink Pills for Pale People 173, 174, 175
- Drucker, Peter 15, 22, 26, 33, 358
- Dumont, Marie 100
- Eagle Star ix, 149, 189
- e-commerce *see* Internet
- Ehrenburg, Professor Andrew 72
- Eicoff, Al 127, 128
- e-mail 136 *see also* Internet
- employees 55, 62–63, 88, 360 *see also* continuing relationships
 - influencing 88
 - training 65, 337
- employers, 62–63
- envelopes 261, 262, 286, 289 *see also* creative copy; ideas *and* testing/evaluating
 - colour of 262, 324
 - curiosity lines 222–23
 - cut-outs in 324
 - messages on 232–34, 236, 252, 315
 - pieces in 236–37
 - pop-ups 324
 - reply-paid 234
 - urgency, imparting 233–34
- entertainment 338
- exhibitions 6, 43, 182, 213
- Face, The* 267
- face-to-face selling 24
- fax machine(s) 71 *see also* media
 - advantages of 135–36
 - e-mail as alternative to 136
- Felix ix, 194, 195
- Ferguson, Courtney 222
- Fildes, Christopher 151
- Finance* x
- finance 150–51, 161
- financial services 53
- Flesch, Rudolph 274, 276
- Fletcher, Winston 152
- Foglietti, Alberto 121
- Foote, Cone & Belding 100, 288
- Forbes* 150, 151
- Ford Motor Company 16, 20
 - Lincoln Mercury Division 20
- formulae 251–52 *see also* creative copy
 - marketing 145
- Fortnum & Mason 80
- Fortune* 7, 236
- France 56, 84, 211, 218, 231, 318, 360
- franchise companies 6
- Franklin Mint 68, 218, 259, 317
- free
 - gifts 67, 310
 - offers 50, 67, 255–56
 - sample(s) 56
 - trial(s) 317
- freelance(rs) 332, 337
- Freer, Cyril 214, 215
- From Those Wonderful Folk Who Gave you Pearl Harbor* 276
- funeral expenses *see* insurance
- future of marketing 357–66 *see also* direct marketing
 - above and below the line 362
 - competence 363
 - customer business, value of 361, 363
 - customers, difference between 361–62
 - databases, building and using 360–61
 - direct marketing, definition of 357–58
 - honesty 363–65 *see also* main entry
 - intelligent use of direct marketing 359–60
 - Internet 358 *see also* main entry
 - messages, use of 362
 - principles, ignoring 359
- Gallup 115
- Gates, Bill 150, 151, 358
- General Foods 341, 354
- General Mills 65
- General Motors 82, 287
- geographical splits 294, 298
- Germany 47, 129, 141
- getting started 1–12, 52–74 *see also* approaches; continuing relationships *and* direct marketing

- catalogue, planning 61
- complaints, making them easy 63
- deals, offering 67–69
- direct mail 60
- employees, employers and shareholders 62–63
- errors, three major 64–66
 - failure to think correctly 64–65
 - not engaging specialist help 65
 - trying to work too fast 65–66
- establishing position 53–54
- minority appeal 60
- mortgages 53
- motivating staff 62–63
- names, using 58
- percentage of prospects 60
- products *see main entry*
- profit, key to 59–62
 - listing customers 59–60
 - pre-empting competitors 59
- questions to ask 56
- recruitment 61
- research, advance 69–70
 - testing 70
- response device(s) 62
- retail problems 58–59
 - discounts, special gifts, events 58
 - opportunities for small retailers 59
- sales-force help 55–56
- syndicators 73
- telephone 60
- training staff 65
- travel 73
- universal principles 52–53
- gifts 58, 256, 283, 296, 310, 320
- gimmicks 234–36 *see also*
 - personalisation
 - appropriate 235
 - why they work 235–36
- Goodman, Ian 170, 184
- Goodwins, Rupert 165
- Gower 206
- Greece *see* tourism
- Griffin, Eugene 146, 150
- guarantee form(s) 58
- guarantees 144, 181, 256, 259, 281
 - see also* creative copy; database(s) and media
- guidelines for
 - advertising in publications 140
 - layouts 264–71
 - style 259–60
- Guinness 50
- Hardingham, Peter 165
- Hardy, Jerome S 27
- Harvard Business School 15
- Haunfelder, Randy 199
- Hayes-McCoy, Robert ix, 196
- headlines 221–22, 231–32, 237, 242, 250, 262, 272, 281, 282, 298, 312, 314 *see also* layouts
- benefits promised in 221
 - news 221
 - successful 232
- Heinz 78
- Help the Aged ix, 199
- Hemingway, Ernest 89, 201
- Henley Centre for Forecasting 23
- Herbert, Frank 326
- Hertz 103
- Hewlett-Packard 17, 18
- hierarchy of marketing thinking *see* marketing
- Hierschle, Winifred 136
- Higham, Sir Charles 100
- history of direct marketing 75–80 *see also* planning
- Hoge, Cecil 323
- home loans 19 *see also* direct marketing
- honesty 77, 84, 363–65
 - commitment 365
 - education 364
 - mail preference schemes 364
- Hong Kong 69, 79, 120, 195, 259
- Hopkins, Claude 222, 287–88, 290, 366
- How I Made a Million Dollars in Mail Order* 10
- How to Start and Operate a Mail Order Business* 304
- How to Write a Good Advertisement* 223
- Howard, Melanie 49
- HTML *see* Internet

- humour 104, 222, 251, 260
- hyperlink(s) 146 *see also* Internet
- IBM 66
 - Direct 28
- ideas 209–48, 335, 338 *see also*
 - choosing an agency *and* products
 - attention, gaining 224–26
 - broadcast media *see main entry*
 - building conviction 228–31
 - calculating message 216–18
 - catalogues *see main entry*
 - context 215–18
 - creative copy 231–38 *see also*
 - creative copy; envelopes;
 - headlines; gimmicks;
 - mailings/mailshots *and*
 - personalisation
 - curiosity lines 222–23
 - desire/want 226–28
 - emotion, power of 230–31
 - enthusiasm/involvement 244, 247–48
 - inserts *see main entry*
 - mastering subject 201–11
 - nationalities/social groups 218–19
 - self-organisation 213–15
 - sounding boards, using 212–13
 - subconscious 211–12
 - success, principles of 219–28 *see also* headlines
 - telephone, use of 239–40
 - word-pictures 226–228
- image 79
- Imperial Tobacco 60
- incentives 159, 204, 315, 317, 320–21
- in-house 332–33 *see also* choosing an agency
 - drawback of 333
 - economies of 333
 - reasons for staying 332–333
- Industrial Revolution 76
- infomercial(s) 138
- Inglis, Janet 165
- Inner Side of Advertising, The* 214
- inserts 110, 111, 123, 125–26, 204, 219, 221, 238–39
 - bounce-back 295, 358
 - creating 238–39
 - size/weight of 324
 - split-run 292–93
- insurance 19, 73–74, 161, 225, 260, 261
 - advertising 273
 - death 52, 73
 - financial service 11
 - private health 65
 - selling direct 10–11
 - selling the benefits 11
 - teachers' policy 223, 224
- insurance companies 45, 52, 149
- insurance salesman 16
- Internet 53, 137, 145–69, 358, 360
 - as marketing ploy 151–54
 - building a Web site *see* Web site(s)
 - customers 147–48, 149, 156, 157–59, 162–63
 - database 160
 - direct mail 158
 - e-mail 136, 145, 146, 147, 154, 158, 159, 162
 - finances of 150–51, 169
 - list, e-mail 152
 - money, making 148–50
 - practicalities 154–55
 - questions to ask yourself 155–59 *see also* Web site(s)
 - reciprocal links 158
 - shopping 152
 - techies versus marketers 164–66
 - Web site(s) *see main entry*
- Interstitial 148 *see also* Internet
- investment(s) 19
- ISP *see* Internet
- Jardine, Professor Lisa 152
- Jayme, Bill 222, 233
- Jerry Fields agency 345
- Jet Stream ix, 103, 197
- Johnson, Dr Samuel 1, 75, 100, 200, 213
- Johnson, Henry 87
- Jordan, Dick 81–83
- JS & A 10, 187, 300
- junk mail/marketing 27, 64, 152, 360, 363

- Karbo, Joe 45, 46, 317
 Kathie Webber ix
 Cookery Club/cards 81, 190, 255
 Kennedy, John E 77
 Kobs, Jim 78
 Krishna Menon, Gopal 90
- Lasker, Albert 335
Lazy Man's Way to Get Rich, The 45, 317
 layouts 264–67, 268, 269, 270, 271
 see also creative copy and ideas
 attention grabbers 271–74
 breaking up copy 265–66
 cartoons 271
 close-ups 272
 colour 271, 272
 columns 266
 contrast 265
 coupons 266–67, 273
 headings/headlines 266, 272 *see also* headlines
 letters 267
 measure 265
 photographs 273
 pictures 272, 273
 styles 268, 269, 270
 tables/graphs 273
 typefaces 264–65
 typography 267
 visual tone 273–74
 leaflets 10–11, 17, 18, 237
 'take-one' 10–11, 110, 112, 125
 legacies/wills 217 *see also* ideas
 Leiderman, Robert x, 131
 Leiderman & Roncoroni 131
 letters 46, 54, 119, 219, 260, 262–63, 296, 267
 direct mail 238
 to employees 55
 Levitt, Theodore 15, 22, 33
 Lewis, Michael 151
Life 328
 Linda method 131–32
 Linguaphone 292
 Lipton, Gerald 66, 67
 list(s) 170–81
 analysis, importance of 176–77
 behaviour, understanding 180
 broker(s) 205–06
 compiled 204–08
 computer 172
 database 172, 173, 175, 176
 e-mail 152
 evaluating, criteria for 177–80
 business list(s) 179–80
 customers 177, 179
 spending 177–78
 industry 205–06
 inquiry 257
 mailing 110, 138, 171–72, 208, 216, 307
 frequency of 179
 understanding 174–75
 relative importance of 172–77
 renting 206–07
 success of, predicting 175–76
 test results, typical 172
 testing 208
 List Brokers and Managers Association 205
 Lloyd's Life 39
 location 160–61 *see also* Internet
 logistics 322–23
 London Transport T-shirts 50
 Lord & Thomas 77, 288, 335
 loyalty 131
- M & S Magazine* 134
 McCorkell, Graeme x, 359
 McGraw-Hill 55, 157
 McKay, George 150
 magazines/newspapers 116, 123, 124–26, 171, 264, 265, 292, 303, 363 *see also* media
 consumer/customer 133–35
 costs of split-run ads 292
 differing formats 126
 inserts 125–26, 323
 pros and cons 123–26
 quality of reproduction 123, 124 125
 response times 124
 testing 123, 125
 Magnet 290, 291
 mail order 6, 7, 9–10, 15, 18, 44, 63–64, 67, 175, 288

- catalogues 45, 64
- records 301–02
- sophisticated market 64
- Mail Order Moonlighting* 323
- mail preference schemes 364
- Mail Users' Association Ltd x
- mailing houses 330
- mailings/mailshots 111, 120, 221, 238, 260, 304, 314 *see also* direct mail
 - business-to-business 203
 - card deck 120
 - co-operative 120
 - elderly people 217–18
 - follow-up 257
 - involvement devices 236
 - newsletter(s) 286
 - packs 219, 220, 310, 342
 - personalised 235
 - pieces in 236–38
 - questionnaires 296–97
 - split-run 293–94
 - stickers 236
 - testing 304–05
- Management Tasks, Responsibilities and Practices* 15
- marketers
 - direct 95, 106, 109, 112, 163, 175, 289, 360
 - professional/sophisticated 22–23, 206, 296, 361
 - target 87–88
- marketing *see also* planning
 - aim of 15
 - conventional 7
 - database 173
 - defining 14
 - future of *see main entry*
 - general 64
 - objectives 95
 - purpose of business 15
 - strategy 95
 - telephone 131–32
 - thinking, hierarchy of 93, 95
- Marketing* 152
- Marketing, Institute of 14, 236, 289
- Marketing Week* 80
- Marks & Spencer 78, 80, 79, 134, 341
- Marlboro 101
- MBNA *see* credit and charge cards
- MEAL 138
- medals 68
- media 109–44 *see also* advertising
 - and planning*
 - advertising guidelines 140
 - broadcast media *see main entry*
 - choosing 116–17
 - customer magazines 133–35
 - deals 143–44 *see also main entry*
 - and discounts*
 - differences in 110–16
 - emphasis 110–11
 - impact versus cost 111–12
 - response 112
 - size and space 114, 115, 115–16
 - succeeding 113–14
 - test budget 113
 - direct mail 118–20 *see also main entry*
 - door-to-door drops 120–23 *see also main entry*
 - of the future 135–37
 - interactive *see* broadcast media
 - magazines 124–26 *see also*
 - magazines/newspapers
 - mailing lists 138
 - mix 116
 - negotiation, principles of 142–43
 - newsletters 135
 - newspapers 123 *see also*
 - magazines/newspapers
 - planning 117, 139–40
 - posters 132–33 *see also main entry*
 - press, local/national/specialist 96, 112, 114, 116, 123, 237
 - radio *see* broadcast media
 - strategy 96
 - success, principles of 219–28
 - successful selection 138–42
 - telephone 129–32 *see also main entry*
 - timing 109, 117–18, 140–42
 - traditional 151–52
 - videos 136
- Mercedes Benz 18, 359
- messages, orchestrating *see* customer(s)
- MGM *see* customer(s)

- Middlesex Business School 136
- Mill, The 47, 49
- Millington, Roger 173
- mission statement(s) 62–63
- Mississippi gambler 101
- mistakes 352–53
- money *see also* charity advertising
 - how to make more 57–58
 - money-back offers 281
 - refund of 12
 - responsibility for 352
 - value for 39
 - wasting 170
- Montserrat 35
- moral (of story) 106, 108, 218, 287
- mortgages *see* getting started
- motives 219
- MSW Rapp & Collins x, 117
- multi-stage selling 46–48, 49, 50–51
 - see also* direct marketing
 - agents' offers 47
 - brand names, value of 51 *see also* brand names
 - catalogue offers 47
 - flexible selling methods 46–47
 - franchise offers 48
 - influencing opinion 48, 50
 - mailings 48
 - recruitment 47–48
 - retail combination
 - sales follow-ups 47
 - sequence selling 48
 - 'The Mill' 47, 49
 - variations/operations list of 47
- Murraymints 80
- names
 - acquiring 50, 51, 180–82
 - guarantee form 58
 - out of date 203
 - targeting 177
 - testing list of 307
 - using 58
 - value of 171–72
 - Web site 161
- Nash, Ed 290
- National Health Service 65
- Nestlé 69, 364
- New Yorker* 250
- Newport, Lord 58
- newsletter(s) 6, 135, 286, 319 *see also* mailings/mailshots
- newspapers *see* media
- Newton, Sir Isaac 75
- Next 87
- Ney, Ed 7
- niche 91 *see also* planning
- North-West Securities 87, 176
- objectives 92
 - advertising 96
 - business 95
 - communication 95
 - copy 261
 - marketing 95
 - Web site 156–57
- Odhams 81, 126
- offers 67–68, 260–61, 295
 - buried 288
 - cheap 289
 - collectors' 68
 - emphasis on 263
 - free 88
 - justifying 255–56
 - money-back 281
 - nineteen that work 255–56
- Ogilvy & Mather 7, 11, 25, 42, 136, 312, 349, 364
- Ogilvy & Mather Direct 7, 20, 35, 42, 48, 60, 61, 65, 92, 199, 201, 236, 345
- Ogilvy Centre for Research 75, 250
- Ogilvy, David x, 7, 63, 210, 247, 261, 316
- Ogilvy on Advertising* 151
- Olim, Jason 169
- one-stage selling
 - conditional free trial 45
 - credit-checking system 44
 - free trial 44
 - sale by credit or charge card 45
 - sale on credit with down payment 44
 - sale on credit with no down payment 44–45
- Or Your Money Back* 127

- 'orchestration' 25
- order form(s) 220, 237, 242
- organisation (self) 213–15
- O'Toole, John 288
- packaging 17
- Palfrey, Ernest 121, 315
- Pan-Pacific Direct Marketing Symposium x
- Papert, Koenig & Lois 101
- Pareto Principle 60, 361
- Pareto, Vilfredo 56
- paying for order(s) 259
 - freephone 0800 numbers 259
- Peapod 148, 149
- Pearson, Stuart 285
- Pepsi Cola 35, 36, 120
- Pepsodent 288
- Perdue Chicken 80
- Perelman, S J 283
- performance, tracking 33
- Permission Marketing* 159
- Perot, Ross 8, 111
- personalisation 234–35, 304
- persuasion 232–33, 253
- photographers/photographs 28, 103, 201, 240, 242, 251, 273, 346
- Pickard, Randy 149
- pictures 221, 272, 273
 - before and after 273
- PIMS (Profit Impact of Marketing Strategies) 39
- Pitney-Bowes 98, 99, 324
- planning 92–108, 349–50 *see also*
 - advertising; communication; creative copy *and* media
 - advertising 96–98, 99, 100, 102–03
 - budgeting 106–08
 - business mission 95
 - catalogue 61
 - communication 100–02 *see also main entry and* customers
 - creative treatment 260–63
 - hierarchy of marketing thinking 93, 95
 - importance of 94
 - objectives 92, 95, 96 *see also main entry*
 - product, describing 104–05
 - research 101–02
 - steps to success 94–97
 - strategy 95, 96 *see also main entry*
 - telephone selling 96
 - time, fighting for 108
 - understanding customers 102–05
 - who, what, why, where, when? 97–98, 99, 100, 105–08
- Playboy car 81–82, 82, 83
- pointers for copy and layout 252–60
 - see also* creative copy
 - background 252–53
 - benefits offered 254–55
 - budget 253
 - complaints 258–59
 - credibility 258
 - deadline 253
 - ease of payment 259
 - encouraging response 257
 - guarantee 259
 - incentives/offers 255–56
 - objective 253
 - positioning 253
 - previous promotions 258
 - product description 254
 - prospects 253–54
 - size/shape of media 259
 - style guidelines 259–60
 - testing 257–58
 - use of database, lists and media 257
- Polo Mints 80
- Porsche 94
- Porters restaurant 58
- Portugal 149, 200
- positioning 75–91, 156–57, 253, 256, 274, 316–17 *see also* advertising
 - advertising 89–90, 323
 - approaches
 - customers' judgement of 85
 - personal 100
 - brand image 78–80
 - change 88–89
 - closing-down sales 77
 - commonsense 90–91
 - difficult markets 87–88
 - history of direct marketing 76–80
 - honesty 77

- importance of 86–87
- research 84–88
- salesmanship 77–78
- theories and statement 81–84
- USP (unique selling proposition) 80–81
- visual tone 274
- Post Office 121, 176, 214, 328
- postcode(s) 122–23
- posters 105, 111, 112, 116, 132–33, 147, 219
 - effectiveness of 133
 - scheduling 132–33
- Powers, John E 76, 77
- pre-selling products 56
- presentation(s) 337–38
- press, local/national *see* media
- Printer's Ink* 76
- priorities 111
- Pritchard Wood agency 230
- prize(s) 158, 159, 321
- probability tables 305, 306, 307 *see also* testing/evaluating
- Procter & Gamble 63, 100, 149, 256, 354, 359
- products
 - advertising/describing 105
 - alternatives to 70
 - benefits of 254–55
 - books/printed paper 74
 - buying 71–72
 - catalogues 73
 - comparing with competitors 70–71
 - creating interest in 224
 - credibility, gaining 258
 - describing 254
 - guarantee form 204
 - health connotations 71
 - ideas, finding 73–74
 - improving 316–17
 - insurance 73–74
 - market potential 72
 - mass-produced 76
 - minority appeal 60
 - needs, fulfilling 254
 - over-ordering 72–73
 - quality of 71
 - special 254
 - suppliers 71
 - syndicator(s) 73
 - telephone communicators 71
 - testing 257–58
 - universal appeal of 218–19
 - what to sell 66–67
- profit, key to *see* getting started
- Profitable Direct Marketing* 78
- promotions 258
- prospect(s) *see also* customer(s)
 - identifying key 183–84
 - understanding 224–25, 253–54
- prosperity, spiral of 30, 31, 31, 32, 33–34 *see also* customer(s) and direct marketing
 - competitive edge 31
 - magic number 30, 31, 33
 - tracking performance 33
 - unequal prospects 31, 32, 33
 - ways to greater profit 30
- Prowse, Dave 232
- Prudential 161
- Psychology Today* 233
- public relations (PR) 17, 24, 96 *see also* planning
- Punch* 104
- QTV home shopping channel 68
- Quality Paperback Club ix, 89, 201, 202
- questionnaire(s) 20, 176, 258, 296–97, 362
 - advertisements 48
 - mailing(s) 116
 - street corner 16–17
 - syndicated 203–04
 - with letter 296
- questions to ask 56–58, 77, 155–59
 - continuing relationship 57
 - how to make more money 57–58
 - list of 56–57
- questions to be answered 8–9, 97–98, 99, 100
- radio *see* broadcast media
- Radio Shack 149
- Rank Xerox 49
- Raphel, Murray 57

- reader(s) 224–25
 - convincing 229–30
 - picturing 224
 - potential 256
- Reader's Digest* ix, 7, 18, 45, 121, 175, 184, 215, 219, 233, 235, 243, 244, 256, 263, 310–12, 319, 332, 358
 - increased response 327
 - Persian Poet 326–28
 - savings token 327
 - Two Penny mailing 325–29
 - YES/NO 235–36
- reading
 - carrier words 275
 - correspondence 101, 102, 180
 - keeping people interested 220, 221, 274–76
 - sentences/paragraphs 274–75
 - use of words 275–76
- Reality in Advertising* 80, 243
- record-keeping 301–05 *see also* testing/evaluating
 - content of records 301–02
 - following up conversions/behaviour 302
 - response patterns/rates 303–04
 - testing probabilities 304–05
- recruitment 61 *see also* getting started
- Redwood 133
- Reeves, Rosser 80, 243
- Reinarz, Michael 364
- Renault ix, 188
- repeat sales, importance of 58
- research 69–70, 113–14, 155, 237–38, 250, 346 *see also* getting started
- Research Surveys 11
- response(s) *see also* testing/evaluating
 - device(s) 62, 176
 - encouraging 257
 - pattern(s) 303
 - rates 96, 112, 289
 - records 294
- results 302–07, 314–16, 349 *see also* records
- retail problems *see* getting started
- Rosenwald, Julius 102
- Ross, Harold 250
- Ross, Victor 311
- Rothmans 60
- Rowell, George R 76
- Rubicam, Raymond 1
- Sacco, Joe 101
- Sackheim, Max 145, 146
- Sackheim and Sherman agency 146
- Safeway 149
- Sainsbury 78, 149, 360
- Sales and Marketing Management, Institute of x
- sales creation 103–32 *see also* media
- sales promotion(s) 17, 24, 50–51
 - linked opportunities 50–51
 - acquiring names 50, 51
 - brand name offers 50
 - competitions 50
 - discounts 50
 - free offers 50
 - self-liquidating offers 50
- salesmanship 77–78, 90
- 'salesmanship in print' 2, 15, 77, 251
- salespeople/salesperson, importance of 55, 263, 290
- Sanders, Colonel 80
- Save the Children Fund 217–18
- Schlitz beer 288
- Schwab, Vic 88, 223
- Schwab and Beatty 115
- Scientific Advertising* 288
- Scotcade 39
- Scott, Bob 39
- search engine *see* Web site(s)
- Sears 102
- Secrets of Successful Direct Marketing* x
- Sega 145
- Segal, Ed 68
- Segel, Joe 68
- selling
 - cross-selling 183
 - off the page 15
 - multi-stage 46–48, 49, 50–51
 - one-stage 44–45
 - telephone 251
- SH Benson agency 318
- shareholders 54, 360 *see also* continuing relationships

- Shaw, Jeremy 57
- Sherman, Harry 145, 146
- shopping *see* Internet
- Shryer 114
- Silver, Bernie 236
- Simmons, Richard 244
- Simon, Julian 304
- single market 95 *see also* planning
- single-person households 23
- Skenazy, Lenore 137
- Small Business, Institute of 317
- Smile 161
- social classes/groups 22–23, 178, 179, 218
 - ABC1 134
- Solarbo 321
- Solid Gold Mailbox, The* 233
- Spain 65, 137
- Spamguard 148
- specialised products 28
- Spiegel 87, 88
- split-run *see* testing/evaluating
- splits *see* A/B splits and geographical splits
- sponsorship
 - of Web site(s) 157
- statistics 304
- Stephens ink 53
- stockbrokers 53
- Strategic Management Resources 63
- strategy/strategies
 - advertising 96
 - communication 95
 - contact 96
 - creative 96
 - marketing 95
 - media 96
- success, steps to 29–30, 94–97 *see also* planning
 - communication 29
 - interests of customer 29–30
 - predicting 175–76
 - principles of 219–28
- Sugarman, Joe ix, 10, 187, 224, 300
- Sun* 114, 141, 311
- Sunday Times, The* 44, 230
- sweepstakes 158, 180, 255, 263, 310, 320–21
- tables/graphs *see* creative copy
- ‘take-one’ leaflets 10–11, 18, 110, 112, 125
- target marketers *see* marketers
- Tate & Lyle 84
- Taylor, Shelley 163, 164
- techies 164–65
- Technique for Getting Ideas, A* 210
- technology 48, 365
 - adapting to 153–54
 - advances in 146
 - storage of information 154
 - TV/computer games 153
- Ted Bates 80, 113
- Telelab 4
- telephone (as) 18, 28, 56, 60, 110, 111, 116, 129–32, 362 *see also*
 - creative copy and media
- attention value 131, 220, 239–40
- call centres 161
- feature in copy 282
- free 0800 numbers 362
- Linda method 131–32
- research medium 129–30
- sales creation/selling 96, 130–31, 25, 359, 360
- scripts 240
- testing/research 299, 307–08
- thanking customers 131
- television *see* broadcast media
- Tesco 149, 360
- Tested Advertising Methods* 151
- testimonials 258
- testing/evaluating 285–90, 291, 292–308
 - A/B split 290, 292
 - assumptions 286–87
 - catalogues 295–96
 - classic test, elements of 285–86
 - client, perfect 288
 - coupons 300–01
 - database 295
 - deduction 299–300
 - geographical splits 294
 - probabilities 304–05
 - questionnaire(s) 296–97 *see also* *main entry*

- radio and TV 297–98 *see also*
 - broadcast media *and* commercials
- record-keeping 301–07 *see also*
 - main entry*
- repetition 307
- results 300–01
- rules, dangerous 289–90
- sample size 305, 306
- small ads 298–99
- split-run
 - inserts 292–93
 - mailings 293–94
 - tests 298, 299, 306
- telephone 299, 307–08 *see also*
 - main entry*
- telescope testing 294–95
- testing versus research 309–29
 - case history 325–29
 - changes, making 314–15
 - creative 323–24
 - different media 323
 - discounting 319–320 *see also*
 - discounts
 - incentives/offers 317–18, 320–21
 - see also* incentives; offers *and* sweepstakes
 - laws of 312–13
 - logistics 322–23
 - media timing 322
 - positioning 316–17, 323
 - price 318
 - product 316–17
 - repeated 324–25
 - results 314–16
 - split-run ads/tests 311–12
 - time and number closes 321–22
 - tricks 324
- tests/testing 30, 115, 116, 118, 208
 - repeated 39, 324
- The Gap 149
- Thomas, Brian 114, 289, 315
- Thompson, J Walter 78, 79, 311
- Three Graces *see* direct marketing
- Tighe, John Francis 236
- time, fighting for 108 *see also* media
 - and* planning
- time/number closes *see* testing v research
- Time-Life* 7, 263
- Time-Life Books 18, 27, 243, 245–46
- Time-Life International x
- Times, The* 35, 129, 320
- Times of India, The* 330
- timing 117–18 *see also* planning
 - off-peak 128
- Topley, Martin 316
- tourism 210–11
 - benefits of destination 210
 - Greece 210, 211
- Townsend, Robert 347
- trade cards 55
- travel 19–20, 73
- trends, changing 22–24 *see also*
 - customer(s)
- Trehear-Harvey, Bird and Watson
 - 7–8, 104, 307, 310, 334, 345, 356
- Trehear-Harvey, Glenmore 7, 50, 164
- tricks/techniques 324 *see also*
 - copywriters/writing *and* reading
- trust 353–54
- truth, telling the 84 *see also*
 - positioning
- TV games 153
- typeface *see* creative copy *and* layouts
- typewriters 54, 56
- typography 242, 252, 267, 271
- Unilever 101, 354
- unique selling proposition *see* USP
- United States of America 55, 65, 87,
 - 89, 106, 110, 113, 123, 126, 136, 139, 148, 150, 151, 154, 175, 178, 204, 205, 206, 219, 220, 224, 231, 233, 236, 237, 239, 240, 256, 262, 293, 297, 300, 320, 323, 325, 332, 333, 341
- Up the Organisation* 347
- URL 167 *see also* Web site(s)
- US TV Guide* 125
- USA Today* 123
- USP (unique selling proposition)
 - 80–81, 90
- van Nispen, Joost 150
- Vauxhall Motors 157
- video 129, 136, 148

- Vogue* 134
- Wall Street Journal* 164, 300
- Wanamaker, John 77
- WAP (Wireless Application Protocol)
mobile phones 145, 168
- Waterhouse, Keith 359
- Watermans ink 53
- Watson, John 7, 98, 197, 292
- Web site(s) 146–47, 149, 155, 160
A–Z of building a 166–68
browsers 162
criteria for 163–64
customers 147–48, 162–63
attracting 156, 157
keeping on site 158–59
returning to site 159
database 160, 162
direct mail 158
e-mail 158, 159
Excite 166
hits 147
incentives 161–62
location 161
name of 161
newsgroups/message boards 157
objectives 156–67
pop-up messages 148
reciprocal links 158, 159
search engine 167
selling 162
signposting 162
Tesco 149
- URL 167
- WAP phones 168
- why be on the World Wide Web? 156
- www.amazon.com 358 *see also*
Amazon
www.draytonbird.com 147
www.Lastminute.com 150
Yahoo 148, 159, 161, 166
- Weintz, Walter 233
- W H Smith 149, 151
- Wheildon, Colin 264, 265, 266
- White Knight 101
- Who's Mailing What* 262
- Wickes 59
- Winston, Stan 92
- Woolworths 84
- word-pictures *see* ideas
- workplace marketing 62 *see also*
getting started
- World Wide Web (WWW) 146, 358
see also Internet and Web site(s)
- Worldly Goods* 152
- Wright, Rod 95
- Wunderman, Lester 24, 298
- Xerox ix, 191, 219, 261, 282, 358
- Yes/No devices 235–36, 324
- Young, James Webb 78, 210
- Young & Rubicam Advertising 1, 7,
290
- Ziff-Davis 165