



Using Direct Marketing to Build Brand Values

While the primary purpose of direct marketing is the achievement of an immediate and specific response (such as trial, purchase, or inquiry), large-scale direct marketing can have other positive effects as well. It can boost awareness and interest and enhance a brand's image. But direct mail can be ignored, and, worse, have deleterious effects by annoying recipients. So, if the benefits of direct marketing are to be maximized, a number of issues need consideration.

Direct mail is still relevant

Given the rise of the Internet as well as email marketing, one might expect that the importance of physically delivered direct mail (including leaflets, coupons, postcards, letters and samples) would be limited. However, research suggests otherwise.

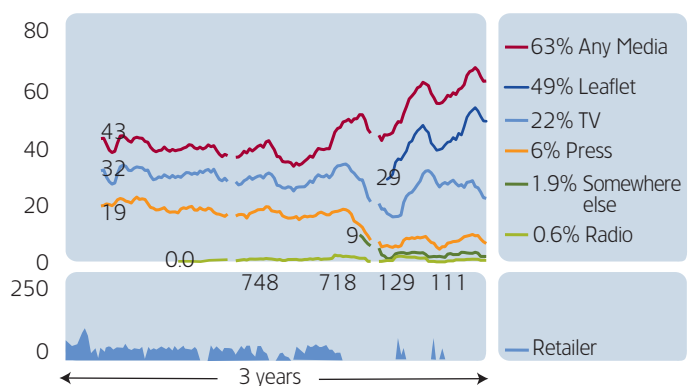
In collaboration with the Centre for Experimental Consumer Psychology at Bangor University in Wales, we conducted an experiment that used functional Magnetic Resonance Imaging (fMRI) to understand how the brain reacts to physical and virtual stimuli. fMRI allows us to look directly at brain activity and so see the brain regions most involved in processing advertising. We observed that there was more emotional involvement when participants handled material printed on cards than when they viewed the same material online.

The research strongly suggested that greater emotional processing is facilitated by physical material than by virtual, which should help to develop more positive brand associations. The real experience is also internalized, which means the materials have a more personal effect, and hence should aid motivation.

Direct Mail can be highly visible

We have plentiful evidence from tracking that coupons and leaflets can reach a mass audience. The example below shows the results achieved by one retailer that switched the majority of TV spend into leafleting. Awareness of the leaflets was higher than TV ad awareness had been; almost 50 percent of respondents had noticed them.

Claimed Media Ad Awareness

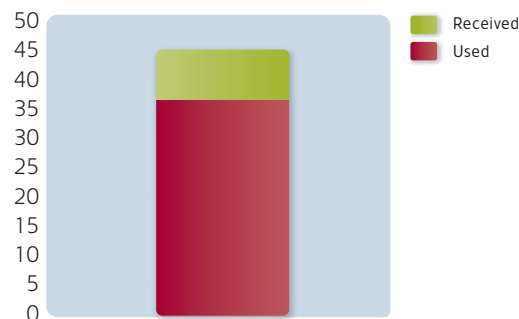


Call to action

Persuasive leaflets can motivate trial. The chart below shows what happened when coupons were distributed that entitled the recipient to a free bottle of a new drink. The majority of

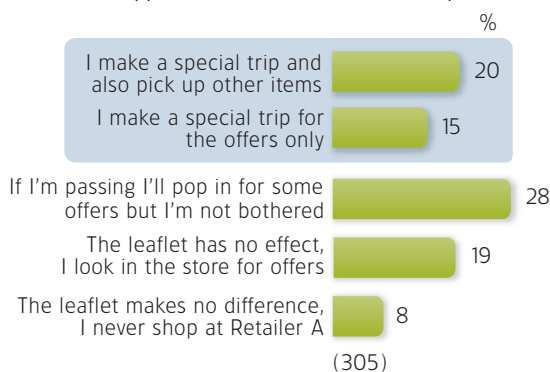
those receiving the coupons claimed to have used them.

Strong usage of brand voucher



The previously mentioned retailer leaflet campaign generated footfall as well as awareness; one out of three customers who received the leaflets claimed to make a special trip to take advantage of the offers highlighted.

The leaflets appeared to affect about 1/3 of respondents



Building image as well as awareness

Falck alarm, a Danish security company, sent letters to households promoting their alarm systems. Over the subsequent three days, consumers were interviewed by telephone. The mailing clearly had an impact; communication awareness for Falck was almost twice as high (63 percent) among those who received the letter compared to those in a control cell (32 percent). When asked "Which companies offer burglar alarms to private residences?" 50 percent of those who received the letter mentioned Falck (compared to 35 percent in the control cell).

Most significantly, however, the letters enhanced the recipients' opinions of Falck. When asked "Which gives the best protection for your house?" 21 percent of those who had

received the letter mentioned Falck, compared to 14 percent in the control cell.

Enhancement through sampling

When product experience provided through sampling takes place in conjunction with communications from other media, a great "enhancement" benefit can be achieved. This enhancement effect occurs when expectations about the brand experience are set up by the marketing communications and then reinforced by actual trial.

In one carefully controlled and disguised experiment conducted by Millward Brown in partnership with the agency Fast Marketing, 11.8 percent of respondents who were exposed to an ad for Fox's Crinkle Crunch biscuits said they would buy the brand next time. Of respondents who received a sample of the brand, 14.6 percent said they would buy the brand. But among those who both saw the ad and got a sample of the product, the percent saying they would buy the brand next time rose to 19.5 percent.

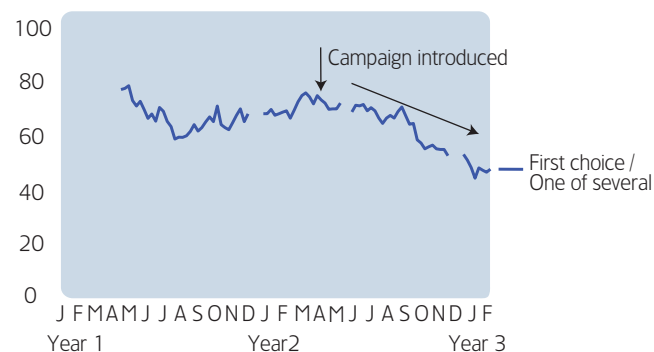
Potential to annoy

Direct mail, then, can have a very beneficial effect on brand health. But if it is not managed correctly, it can also damage a brand. For example, aggressive marketing on the back of loyalty programs can aggravate users and in fact do more harm than good.

A credit card brand in New Zealand experienced this problem when, after successfully introducing a new and attractive loyalty program, saw future brand consideration among current users decline.

A review of the tracking data showed that direct mail awareness was very high. A qualitative follow-up revealed that people were bothered by very persistent phone calling that offered further cards, travel insurance and other services. So while the offer was an attractive one, overly zealous use of the card user database made the member experience become a poor one. Consideration of the brand among card users fell.

Consideration of the brand amongst current users declines



Tips for effective Direct Mail

Be aware of who uses it

Qualitative research conducted in the UK identified three types of people most likely to use direct mail.

Brand users: Existing brand users will often use coupons they receive as a reward for loyalty.

Bargain hunters: This group consists mostly of females who love shopping, like entering competitions, and tend to keep all coupons.

Organized consumers: Those who are organized enough to keep coupons and catalogues are also likely to make use of the offers.

Groups that show little or no interest in direct mail include: Young families and others who are time-challenged, those who are cynical about marketing, and those who are experts on a product category, or those who prefer to conduct their own research.

Make sure it has impact

Direct Mail can easily go unnoticed if the creative does not immediately draw the reader's initial attention. Where possible, make it personal. Address it with an individual's name rather than "Resident" to increase the chances of it being opened. But if you are addressing named individuals, ensure that your data files are accurate and clean: receiving someone else's mail can irritate, confuse, and alienate people.

The tone of the mail can affect its impact. While it will not always be appropriate, if the mail seems significant or serious, this can affect impact levels. Consider the attention that people give to things such as invitations, bills, and insurance papers. Mail from the taxman, while generally plain and unwelcome, is almost always noticed.

Make sure it is involving

Direct mail must immediately establish its value. Exposure time is short; interest needs to be generated between the doorstep and the waste paper bin. Consumers are more likely to engage with material relating to a product category that fits their interests; conduct research ahead of time to identify customer needs and establish relevant issues. Aim to provide communication that is simple and enjoyable to read. Mailings that generate positive emotions such as happiness, safety, security, or nostalgia are more likely to generate engagement. Loud, vulgar, or garish graphics may create a negative image. Direct Mail can fail when it is overly intrusive, when its message is seen to be "over the top," when its style is lecturing, hectoring, loud, or incomprehensible, or when there is too much copy with too many messages.

Using imagery from a current TV campaign can be effective. The TV campaign may have built up curiosity that the mailing can capitalize on; equally, the mailing can serve as a reminder of the TV ads.

Seek to extend the processing time of body copy

Techniques that encourage consumers to retain the leaflet for later perusal can be helpful. Offer rewards such as free samples and offers, information, recipes, or calendars. Designing the brochure so that it acts as a storage place for coupons can also encourage consumers to hang on to it.

Knowledge Points are drawn from the Millward Brown Knowledge Bank, consisting of our databases of 80,000 brand reports and 40,000 ads, as well as 1,200 case studies, 900 conference papers and magazine articles, and 350 learnings documents.

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