



# Direct Marketing in the Digital Era

.....continuity and change, impact on the gift and incentive industry.

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# The Perennial...



- “RESPONSE is the name of the GAME. DIRECT MAIL or any other media is only a player”
- Face to face sales has the highest response rate...not necessarily the most cost effective
- Direct Response campaigns attempt to duplicate the power of ONE TO ONE, FACE TO FACE campaigns...but on a MASS SCALE ...whilst **optimizing cost effectiveness**

# The Perrenial



- Direct Marketing is about Sales....the “double barrel” contribution to branding and advertising must not dilute the sales effect
- Like any sales effort Direct Marketing is measurable.... (Leads, contacts, responses, conversions, returns)
- Post sales activities...relationship building, cross-sell, referrals are a critical component of any DM strategy.
- Incentives has always been an integral part of direct response marketing

# The Dynamics



- From Media proliferation to media cacophony
- Decline in consumer trust
- Increasing hi-tech, hi-touch



23, 24 August 2007

Singapore Gifts and Stationery Show 2007

# Media Cacophony



- **1990s**

Media proliferation

- **2000s**

Media proliferation + digital age = media =  
Cacophony level (*quality of having harsh sounds and dissonance*)

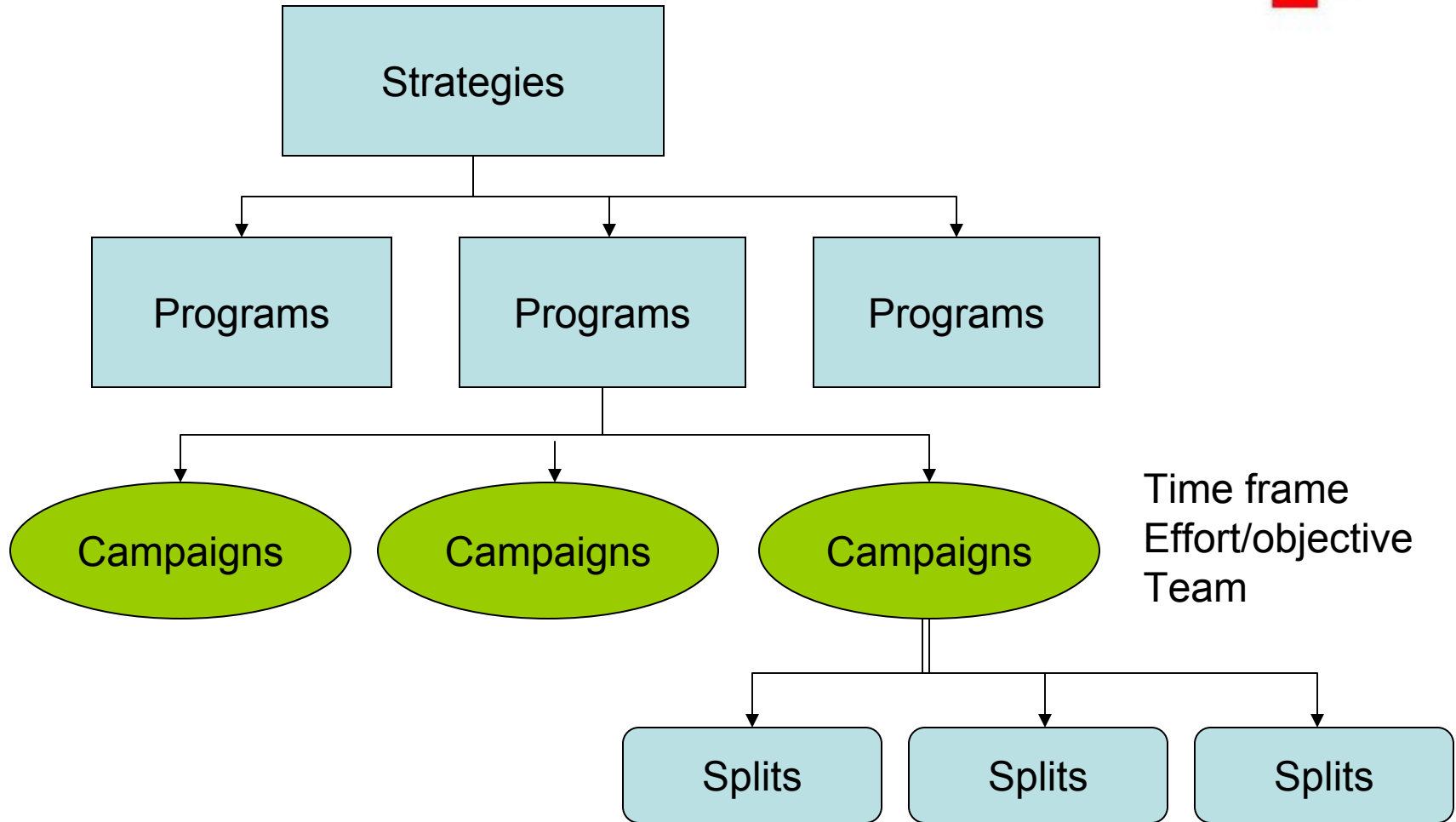
- Different people prefer different media in different situations... **blind themselves to others**....resulting in the use of integrated media campaigns

# Cacophony Challenges



- Expensive to create integrated media campaigns
- Trend towards low product cost but high communication costs
- Managing fixed costs of communications, becomes an increasing business risk
- Media packaging and optimization issues
- Campaign measurement issues

# IDM Campaign Measurement



# Emerging Business Strategies



- **Startups and small business** should focus on products that may be successfully direct marketed by single media or a proven media matrix.
- **Established businesses**, with good surpluses or well funded must test, learn and develop creative integrated media packages that will allow them to stay ahead of competitors.
- Small business must adopt successful experiences of established businesses that constantly learn and test. Websites, conferences, agencies...helpful in this respect

# Decline in Consumer Trusts



- Media proliferation, message/media clutter, information exhaustion.....
  - Customers do not know what to believe
  - Regulators can no longer afford to do a thorough job
  - Let the buyer beware is the name of the game
- Personalized and targeted media is unfortunately the choice of the dishonest and unethical
- Wide-scale deployment of personalized media leads to privacy issues....intrusion and nuisance.
- Shoddy gifts and poorly implemented incentive programs contributes to this sad state.

# Many Solutions...No Panacea



- Critical Core group of companies that act responsibly
- Ministries, GRCs, Licensed companies must act responsibly
- Public Relations
- Consumer education
- Regulation

# Hi Tech- Hi Touch

## The Human Face of technology and Automation

- Unfriendly technology
- Human Technology....rigid, unfriendly human policies
- Human technology..... Uncaring people interface

# The Power of Gifts



- Give and take...build relations
- Care and concern...build trusts
- The power of favoritism...build loyalty

To be totally relevant, those in the gift business must learn to work with Direct marketers to create meaningful experiences....not just sell gifts

# Conclusion



- The Backlash of digitalization
  - Branch banking
  - Accounting
- Switching off the auto-pilot
- Power of the Human Spirit

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