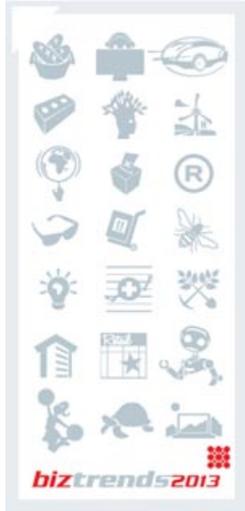


Targeted direct marketing to come into its own

 By [Warren Moss](#)

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The year ahead is unlikely to see any fantastical new developments in direct marketing; in fact, it's more likely to be characterised by the maturing of existing technologies and a return to more traditional practices.



There is no doubt that direct marketing has moved ahead by leaps and bounds over the past five years, driven largely by new capabilities in identifying and targeting a specific segment of the market. This segmentation holds tremendous power for marketers, not only because of the increased effectiveness, but especially because that can be achieved at a lower cost than previously.

Hyperlocal and hyper-targeted

The one expectation, therefore, is that brands are going to give far greater emphasis to hyperlocal and hyper-targeted messaging.

This is an especially powerful tool for retail and FMCG brands as they can target their messages only at consumers who are likely to take up the offer, based on their proximity and driving time to the store. The rapid deployment of specials - for example, on stock reaching the end of its shelf life

- is an effective marketing tool that previously would not been possible, or nearly as effective.

The beauty of hyperlocal and hyper-targeted marketing is that people are more open to marketing messages that are relevant to the community in which they live and when conveniently located to home or the office.

More brands will move away from mass-communicated messaging, particularly as budgets are cut in response to the continuing pressure on consumer spending.

And while SMS is a platform that offers a more rapid response to time-sensitive deals and announcements, hyperlocal and hyper-targeted messaging is not restricted to this medium. Ironically, the old-school postal method works as well for these location-targeted campaigns.

Re-emergence of traditional tools

And that is my second prediction for 2013 - the re-emergence of traditional direct marketing tools, such as postal drops.

The main reason for this is that the cost of producing smaller quantity, personalised messaging has fallen dramatically with the introduction of digital printing. Combine this with the insights of consumer behaviour and demographics that are now available, and the much-beloved snail mail suddenly becomes a contender again.

What used to happen in this category of messaging was that mass-market thinking was applied using direct marketing principles. Now, instead of sending out 1 million messages and getting a 1% response, brands can send targeted messages to 100 000 people and get as much as a 30% response.

Propensity modeling

This technique is strengthened by marketers' use of propensity modelling, which determines a target market's propensity for taking up an offer, or being in the market for a purchase. This can be used to great effect for consumers of large ticket

items such as cars, who have a tendency to be more amenable when certain mileage and debt repayment thresholds are exceeded.

Knowing this or, for example, that a certain community is predisposed to a competitive brand, marketers can ensure their message is pitched at the right people, at the right level, and at the right time.

The power of a physical mailer, in such instances, is far greater than SMS or email because the message is not limited by space constraints, which can be used to evoke a more positive response from potential customers.

Evolution

Direct marketing has certainly moved from an era of communicating with everyone to knowing who you are speaking to, and why.

This evolution has contributed enormously to the effectiveness of campaigns, and will remain the mainstay of the industry, although I do believe the delivery mechanisms are going to adapt to take advantage of these efficiencies.

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ABOUT WARREN MOSS

Warren Moss is the founder & CEO of Demographica, a full-service specialist agency focusing on Business to Business (B2B) and niche consumer markets. What makes Demographica unique is the fact that anthropology (the study of human societies and cultures and their development) is at the heart of all of their strategies. Warren and Demographica have been recognised by winning some major business and marketing awards. Warren is also currently the Chairman of the Direct Marketing Association of South Africa.

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