



Best Direct Mail Practices in an Evolving Marketplace

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Best Direct Mail Practices in an Evolving Marketplace

By Wes Powell

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Introduction

Professor Philip Kotler, one of the greatest marketing minds of all time, defines a market as “the actual or potential buyers of a good or service.”¹ Thus, one’s marketplace is simply the place in which one would find those actual or potential buyers of one’s good or service. In the past, once it had been determined who was included in this market, it was the job of the marketer to transmit the information and marketing messages to that market that the company deemed acceptable in order to persuade the buyer to buy. The flow of information was definitely in one direction: company to consumer. Consumer access to information came through channels that were tightly controlled by the producers of goods: television, radio, billboards, telemarketing, newspaper, catalogs, direct mail and magazines. It was difficult for a consumer to determine what their alternatives were; what substitute products and services were available along with their available features and price points. Therefore, the marketplace was largely controlled by major players who had the budget to push out messages to the mass market. However, that has changed.

The Consumer Has the Power

Today, control of the marketplace has shifted to the consumer. The power of the internet and the rise of mobile communication has democratized markets. Today’s consumer can access product and service information with a few key strokes. Competitive pricing information is now abundantly easy to come by. Producer’s product claims are easily checked through online reviews and customer forums. The ability of consumers to communicate with each other has given them bargaining power and leverage with companies unheard of 10 years ago. Inaccurate claims put forth by a company are quickly identified by a well-informed market and the company is usually punished quickly by a drop in sales or a loss in brand equity. One only has to think about—to see what can happen to a company that plays fast and loose with the truth.

The Consumer’s Buying Process

So, what does this have to do with direct mail and direct mail best practices? Before we answer that question, we have to dig

a little deeper into how the typical consumer makes a purchase decision and how that has changed during the last five years. It has been accepted for some time that the five steps that a typical consumer goes through when buying a product or service is the following:

- 1 Need Recognition
- 2 Information Search
- 3 Evaluation of Alternatives
- 4 Purchase Decision
- 5 Post-Purchase Behavior²

For instance, let’s say “Bob” is a typical consumer. He and his wife “Susie” have just discovered they are going to have a third child. As Bob looks in the garage he experiences need recognition, or **Step 1** of the buying process; the Honda Accord will not fit his growing family and he will need to buy a larger vehicle.

THE 5-STEP BUYING PROCESS

- 1 Need Recognition
- 2 Information Search
- 3 Evaluation of Alternatives
- 4 Purchase Decision
- 5 Post-Purchase Behavior²

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Bob then enters **Step 2**, the search for information. Bob starts to collect data by asking his friends with three or more children what vehicle they would recommend, asking his buddy at the office who is a “car expert” his opinion, reading some car reviews in Consumer Reports, hopping online to look at various cars, minivans and SUV’s, and finally visiting some car dealers and talking to car sales people and taking some test drives.

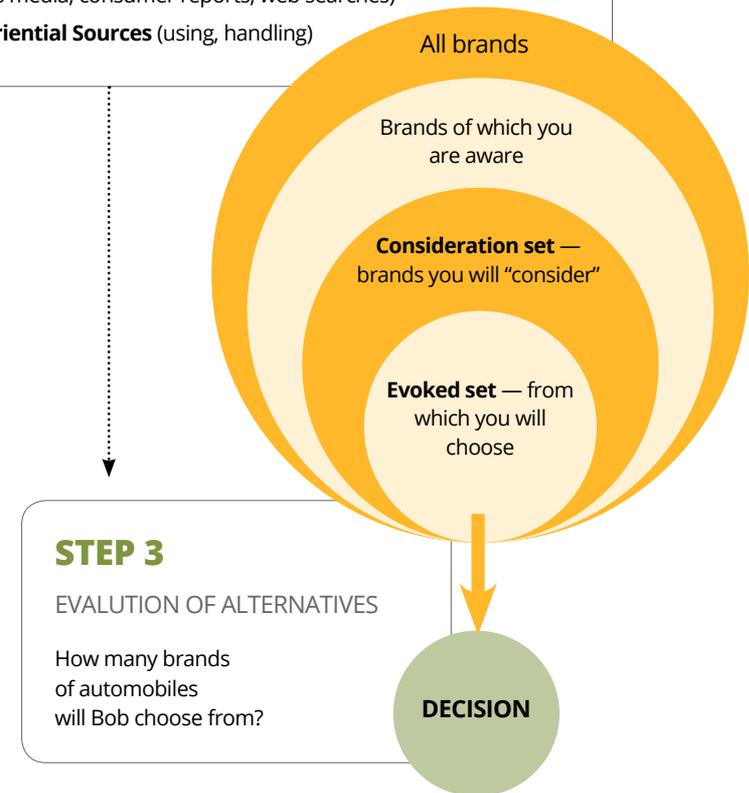
Bob seamlessly moves into **Step 3** as he starts to evaluate his alternatives. This step actually starts to occur even as he is gathering information. As new information comes to his attention, he compares it to the information he already has and decides if it is worthwhile and should be part of his evaluation process. Bob will have a number of criteria that he will use to do his evaluation; this criteria might include number of seats, gas mileage, purchase price, ease of use, safety, style, color and what his wife’s opinion is. Some criterion will have a greater weight than others, such as what his wife thinks. Bob will narrow his alternatives from the brands of which he is aware (which might include Mercedes and Ferrari) to the brands which he will “consider,” which might be Honda, Mazda, Ford, Toyota, Hyundai and GM. From there, the list will be shortened to Mazda, Ford and Honda, which is Bob’s “evoked set.”³ This evoked set will only include the vehicle models that have made it through Bob’s criteria for the vehicle itself. At this point, Bob is ready to make a decision.

In **Step 4**, the second to last step, Bob will make a purchase decision. One caveat to point out is that even though Bob has decided, he hasn’t bought. So, it is really his purchase “intention” up until he signs the sales contract. In this phase, Bob’s intention can be swayed by outside factors, such as the opinion of others. How many of us have had second thoughts about our choice after one of our friends has said, “You’re going to buy what?” after we have shared a purchase intention with them? The other outside factors could be things such as Bob losing his job between when he has decided and when he is going in to do the deal at the dealership. There are always environmental factors that can blow apart even the best purchase intention.

STEP 2

EXTERNAL INFORMATION SEARCH

- **Commercial Sources** (business website, brochures, etc. — Inform)
- **Personal Sources** (F&F) — Legitimize
- **Public Sources** (mass media, consumer reports, web searches)
- **Experiential Sources** (using, handling)



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However, assuming that Bob makes the purchase, he moves into the last step, **Step 5**, or Post-Purchase Behavior. At this point, Bob is using the product, getting feedback from friends and acquaintances and essentially doing a post-mortem on his purchase: did he make the right decision? If Bob is satisfied, it means that his vehicle has met his expectations. This doesn't necessarily mean that the vehicle is perfect; it simply means that it is doing everything he expected it to do and no less. This is an important point for marketers: we never want to overpromise. Overpromising leads to unsatisfied buyers. Under promising leads to satisfied buyers who will hopefully recommend your product or service to others. However, even if Bob is satisfied, he may feel some "buyer's remorse" or "cognitive dissonance." This cognitive dissonance, or psychological tension, occurs because the purchase is large and has a big financial impact on his family's finances; he had the ability to freely choose and so it was up to him to make the right decision, and he can't take the vehicle back and his decision is irreversible.⁴



STEP 5

POST-PURCHASE BEHAVIOR

You are either:

- ✓ SATISFIED or
- ✓ UNSATISFIED

SATISFIED:

Met expectations

UNSATISFIED:

Did not meet expectations (elimination from "evoked set")

COGNITIVE DISSONANCE:

Post-purchase doubt, or "buyers remorse"

Marketers seek to lessen Cognitive Dissonance through advertising, testimonials, follow-up

Overpromising leads to unsatisfied buyers. Under promising leads to satisfied buyers who will hopefully recommend your product or service to others.

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The Buying Process Modified By the Rise Of the Internet And Mobile

The buying process as just described is very much intact. All of us go through this process in one form or another when we buy. However, the power of the internet and the advent of smart phones and mobile computing devices has modified it in a way that benefits the consumer and alters the way that marketers must deal with the buying process. First, let's look at a slightly different view of the buying process as described in a Google study, and then how the process has been modified.

The stimulus
can be provided by many of the
traditional forms of marketing.

In 2011, Google performed a study of consumer buying behavior called "The Zero Moment of Truth Macro Study." In the study, Google describes the buying process as a three-step process instead of five, or what Google describes as the "traditional 3-step Mental Model of Marketing."⁵

The first step is "stimulus" of the consumer; this consists of the marketing efforts that spark the consumer's awareness and familiarity with a product or service. This could be equated to "Need Awareness" as described previously. This stimulus can be provided by many of the traditional forms of marketing. The chart at right shows which are the go-to channels for stimulating and influencing consumers, as reported in "Print in the Mix."⁶

Traditional 3-Step Mental Mode of Marketing



Source: Google/Shopper Sciences, Zero Moment of Macro Study, Apr 2011 N = 5,000
www.google.com/think/insights

"Stimulus" — Marketing efforts that spark the consumer's awareness and familiarity with a product or service.

1: TV commercial	37%
2: Direct mail catalog	31%
3: Newspaper ad/insert	29%
4: Newspaper article/review/info	28%
5: Magazine article/review/info	27%
6: Magazine advertisement	24%
7: Email received from manuf.	23%
8: Online ads noticed while browsing	22%
9: Direct mail from store	22%
10: TV show featured a product	21%





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The second step is the “First Moment of Truth”; this is the point when the consumer is in the store, looking at different products on the shelf, comparing their options and making a purchase decision. This second step seems to encompass information gathering, evaluation of alternatives and decision making (the second, third and fourth step of the five-step model). The chart below shows the factors having greatest impact or influence on this step.⁷

The final step is called the “Second Moment of Truth” or the consumer’s actual experience with the product (what is described above as Post-Purchase Behavior).⁸

It is Google’s contention that a new step has been inserted between the first step, “Stimulus,” and the second step, “The First Moment of Truth.” Google calls this new step the “Zero

Moment of Truth.”⁹ This “Zero Moment” is the research and fact-finding activities about a product or service undertaken by the buyer. While this sounds like Step 2 of the buying process, the research of alternatives, it is different in its emphasis on digital and online sources of information. Fully half of all buyers used a search engine to get more information about a product or service and almost 40 percent comparison shopped online.

What this means is that when consumers make a buying decision, that buying decision is often made BEFORE they ever get to the store or talk to a salesperson or representative of the organization. The buyer is no longer solely dependent on the company as a source of product information. So, let’s now see what that means for direct mail and its role in the marketing process.

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“Zero Moment of Truth.”

The “First Moment of Truth”

The moment at the shelf or store, making the final purchase decision

1: Product packaging	50%
2: Brochure/pamphlet in store	49%
3: Talking to salesperson	38%
4: Product signage/display	36%
5: Phone call with CSR	31%
6: Sampled/experienced product in store	22%

The “Zero Moment of Truth”

Research and fact-finding activities about a product or service directly undertaken by consumers

1: Online search engine	50%
2: Talked with friends/family	49%
3: Comparison shopped online	38%
4: Info from brand/manuf. website	36%
5: Online product reviews	31%
6: Info from retailer website	22%
7: Online comments about article	22%
8: Became a follower/“liked” brand	18%

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The Changing Role Of Direct Mail In a Multi-Channel And Connected Marketplace

Direct mail has a long and illustrious history in an important marketing channel. Direct mail can be highly targeted and as such is extremely efficient in reaching tightly defined demographic, geographic or niche markets. In the past, it has been used to create need awareness and stimulate demand through emotional graphics and copy, provide product and service information in the form of brochures, catalogs and letters, and to “take the order” with order forms and response devices. However, this role is changing. It is rare for someone to receive a direct mail piece and make a purchase solely based on the information in the piece. If interest is stimulated by the piece, today’s buyer is going to go online and perform their own research. And, if their research is satisfactory, they may wish to complete their purchase online or in the store. If you haven’t provided the online resources necessary, the stimulation of the buyer will be wasted and your direct mail campaign will be tagged a failure of direct mail when, in actuality, it is a failure to recognize the change in how the buyer goes through the buying process. Based on this premise, let’s look at what best practices are for today’s direct mail campaigns.





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Best Practices For Direct Mail Campaigns In a Wired World

1. Before mailing, make sure you have a solid web presence. If you don't exist on the web, you don't exist. Your website should have a clear explanation of your products and services. It should provide an easy way for the visitor to comparison shop you and the competition. Provide abundant information; you want to be the trusted source, not your competition. Provide testimonials and unbiased reviews of your product and service. Make sure it is easy for the visitor to find your social presence as well on Facebook, Twitter and other social platforms where your product will be discussed.

2. Buyers buy on emotion and justify with facts, so make sure your copy and graphics connect emotionally with the reader, but make sure you direct them to the web where they can find out all the facts to support what they now want to do.

3. Make sure that you can track from your mail piece through the rest of the purchase process. That means setting up campaign-specific landing pages that are listed on the direct mail piece. These landing pages should pick up the buying process where the direct mail piece left off and be capable of providing all the information necessary for the buyer and a way to place an order. If the buyer needs to come to the store, make sure there is a reason to bring the direct mail piece with them.

4. Still provide multiple ways to respond. Even though you

are providing all the necessary information on the web for information gathering and comparison of alternatives, some buyers may want to pick up the phone, send an email or visit the store to complete the buying process. Make sure you provide those avenues as well by including your physical address, a toll-free ordering line and an email address.

5. Use other channels in conjunction with direct mail. A follow on email campaign, banner ads, social media tie-ins and even TV and radio, can help reinforce the integrated message that you are trying to deliver. Since a buyer needs to hear your message multiple times (yes, we are all very busy) a multi-channel approach can have a big multiplier.

6. Make sure that your direct mail package is "sticky." That is, make sure that it is appealing enough, or provides enough information, that the buyer will hang on to it. This is one of the strengths of direct mail over almost all other channels; people tend to hang on to it. Whereas email is immediately deleted, radio can be in one ear and out the other, and online you are only a click away from some other website.

7. Keep your creative consistent across your direct mail piece and your online presence. Make sure there isn't a disconnect between copy, graphics and colors. The days when direct mail could "go its own way" not being too worried about brand, are over. Today it is all about your brand and your direct mail piece has to reflect that.

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DELIVERING MEASURABLE RESULTS

About TMR Direct

Overview

TMR Direct is a direct mail and inbound marketing company that's been in Colorado Springs for nearly 40 years. Founded by Gerry Amber on the principles of honesty, integrity and putting clients first, our clients' success has been our success—and we want to keep it that way for another 40 years.

TMR Direct Partnerships

We strongly believe that marketing campaigns are never “one hit wonders.” Rather, they're long-terms plans that are thought-out, well planned and well executed. If you're looking for the cheapest marketing solution out there, we likely won't be a good fit for you. But if you're looking for someone who will take your business seriously, take the time to understand your needs, provide you with excellent service and work with you to improve over time, then consider working with us.

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