

Direct Marketing Today: The Rules Have Changed

By Dale T. Filhaber

The economic effects of the downturn over the past several months have been felt by virtually every business sector in America. In times like these, companies must reach out more than ever to maintain market share and spend their ever-decreasing marketing dollars wisely and efficiently.

While a well-rounded marketing campaign is a must, trying to reach out to everybody in your market area is costly and generally wasteful. An efficient marketer will concentrate budgeted dollars on reaching those households that represent the best prospect groups.

In the water industry, these groups traditionally are:

1. New homeowners,
2. Parents of new babies,
3. Homeowners with children,
4. Golden homeowners (senior citizens),
5. People with allergies or illnesses,
6. New businesses, and
7. Select existing businesses.

Whether you decide to reach these key groups by direct mail, telemarketing or via the Internet, the rules of the game have changed. Marketers need to be cognizant of these changes to ensure that their message will get through to the prospects in a timely and cost-effective manner.

Unequal treatment

Each of these groups must be treated differently. New homeowners are probably the water quality company's most responsive group. Statistics show that they should be contacted three months after they move into their new home, either by mail or phone, when the dust has settled and they have a chance to consider your product. New homeowners are highly receptive to direct mail and

telephone promotions and will spend more on home-related products and services within the first six months of relocating than established residents will spend in two years. New homeowner lists are also available as a "hotline" subscription, providing your company with a consistent lead flow and—depending on their outreach programs—water companies can opt to take all new homeowners, or only those with telephone numbers.

The new parent list is also available in a subscription format as well as a standalone list. This is also an excellent prospect source for water quality companies since parents are very concerned about the quality of the water they provide for their children. This group, as well as homeowners with children, is also responsive to both mail and telephone offers.

Homeowners in their "golden years" are another great market for the water quality industry. Today's aging baby boomer group demands the highest quality in all things, and water is certainly no exception. These active Americans are excellent prospects for health care products and have the disposable dollars to afford them. Such "golden" homeowners are receptive to both mail and phone promotions and offer your sales staff a daytime audience for appointment setting.

Lists of individuals with allergies or illnesses are derived through various sources and the data are compiled from a variety of survey responses, coupon offers, product warranty cards and requests for information. Water quality companies can select from a variety of ailments and allergy types and categorize the list by age and income to reach the best prospect group. This group responds best to direct mail promotion.

The business arena presents a

much more difficult contact since, in many cases, both direct mail and telemarketing calls must pass through a gatekeeper. Water quality companies have best responses with small to medium-sized businesses, especially new businesses. Lists with specific contact or decision-maker names work best.

Handle with care

In light of consumer response to opening random mail as a result of the anthrax scare, the Direct Marketing Association made the following suggestions to positively impact receipt of consumer mail and how to address direct mail campaign security issues:

- *Avoid using plain envelopes:* Use printed or colored envelopes.
- *Use a clear and identifiable return address:* Include your company logo in the address.
- *Use window envelopes or postcards:* It reduces the receiver's guesswork.
- *Offer alternative contact data:* Include a toll-free phone number and/or URL (web) address on envelopes.
- *Let them know it's coming:* Utilize an e-mail and/or telemarketing campaign with customers in conjunction with a letter drop to notify consumers you're sending mail.
- *Show you're an elite company:* Utilize membership logos (like WQA's) in your mailers.
- *Call the printers:* Contact your letter shop and other production services to stress the importance of security.
- *In-house precautions:* Consider performing a security audit throughout your entire organization. Educate mailroom and route employees about identifying and dealing with possible threats.

Surveys have indicated overwhelmingly that direct mail, when properly prepared, addressed and identified, will continue to play a major role in the market-

ing mix. Evaluate your campaign approach and remember that personalization is important.

Telemarketing also has traditionally been a vital source of lead procurement for the water quality industry and continues to be the No. 1 source for appointment setting for several of the key target

EXTRA: Beware, telemarketers

In late January, the Federal Trade Commission (FTC) proposed new rules to reduce unwanted telephone solicitations and protect consumers from unauthorized charges on their credit card bills. Central to the key proposals are the creation of a national "do-not-call" registry; consumers could make a single call to this registry to have their names removed from many telemarketing lists; and telemarketers could face a fine of up to \$11,000 for calling homes that were on the list. In addition, the FTC proposed that telemarketers be barred from blocking any identifying information from caller-ID equipment so people would be able to know who's calling. Also, telemarketers would be barred from exchanging, selling or buying any billing information about customers. In many cases, consumers aren't aware that telemarketers already have their credit card number. In turn, some consumers may unknowingly make purchases against their wishes. Still, the proposed rules are only in the initial stage, and will be open for public comment before a final decision will be issued, probably late this year or early 2003. Even if the FTC goes forward, it could take some time to implement the national do-not-call list.

groups, such as new homeowners, parents of new babies, homeowners with children and golden homeowners. In the past year, telemarketing has been severely impacted as many states have enacted and continue to enact "do-not-call" laws. Regardless of whether your company is utilizing predictive dialers or individual telemarketers, it's your responsibility to make sure your company is in compliance with current regulations.

You also need to make sure any outsourcing of these services, whether telemarketing, e-mail or fax services, is done with companies that are aware of the latest legal requirements for solicited/unsolicited contact and "opt-out" stipulations for the consumer. You both could be held liable otherwise.

Minding the law

The Telephone Consumer Protective Act, a federal law passed in 1991, requires companies or individuals soliciting consumer business by phone to honor a do-not-call request for 10 years and limit outbound calls to between 8 a.m. and 9 p.m. State laws have similar provisions and vary widely as to time and exemptions (see *EXTRA*).

Businesses or individuals who ig-

nore these laws can be fined \$11,000 per federal infraction and between \$2,000 and \$25,000 per violation, depending on the state.

Currently, 24 states have already established do-not-call laws and legislation is pending or in the process in 26 other states. Some of the states with do-not-call lists include Florida, Georgia, Alabama, Louisiana, Texas, Arizona, Colorado, Wyoming, Idaho, Oregon, Alaska, Nebraska, Illinois, Indiana, Kentucky, Tennessee, North Carolina, Virginia, New York, Maine, Connecticut and New Jersey.

Water quality companies must continually keep up with legislation in their local markets since "I didn't know" doesn't hold water, no pun intended, when compliance is required.

E-mail marketing

E-mail marketing will soon become a real option as e-mail list segmentation becomes more sophisticated every day. While prospect e-mail marketing for water conditioning

companies is still a while away, companies will find that contacting their current customers via e-mail makes excellent sense. Keep your eyes on e-mail technology—one day it will be a powerful marketing force for the water quality industry.

Direct marketing technology has made it easier than ever before for water quality companies to reach out to the most likely users of their products. It's vital to carefully research and test prospective prospect lists. The cost of the list itself is minimal compared to the costs of labor, telephone time, printing and postage. A poor list can jeopardize an entire marketing program. While most companies procure the services of a list broker or list provider, some companies go directly to the county courthouse and compile new homeowner data themselves. Other companies get their data from local newspaper listings.

Conclusion

Once the outreach methods are finalized, the water quality company's success depends on the list, offer and presentation. Regardless of whether marketing by mail, phone or e-mail, each company must present itself profession-

ally and provide the highest level of service to their customers. No matter how efficient and effective a direct marketing campaign is, it will never offset a company's poor reputation. For references about list brokers, compilers and providers, you can contact your state's Direct Marketing Association or the national Direct Marketing Association in New York City.

About the author

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