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Digital direct

DM and email are complementary, so keep them coming



The flood of reports showing the relentless advance of email – and its cannibalisation of traditional marketing channels, DM particularly – is not subsiding. And they're basically right: email IS eating into other marketing channels.

The reason is obvious to everyone who has ever prepared a properly planned and executed piece of email marketing: it is fast, it is flexible and it is (generally speaking) cheaper. And, yes, it could be more personal.

However, the question of whether email is going to replace DM is an interesting one, but requires a bit of nuancing. If the question is 'Will email totally replace DM in the future?', my answer is no. In many instances, prospects and customers that come through email are the least likely to convert and the most likely to churn. And email doesn't work well for cold charity recruitment – nor for most of the cold acquisition, come to that. Believe it or not, but higher CPA is sometimes actually a more desirable objective. If the question is 'Is email going to replace DM for some purposes?', the answer is yes, particularly for eCRM, as it is easier and cheaper to personalise through email. In other words, email works very well for customer service and loyalty communications.

There is, then, the question of tangibility. Good DM is the physical side of the loyalty communications, something that could be saved and even collected. Email is perishable. If it is part of a good integrated programme, a bit of the DM's tangibility can be passed on to it.

Finally, mutual reinforcement: DM followed by email produces, in average, 10-20 per cent better response than DM alone. Or, looked from the other side, email preceded by DM works equally much better. It is in the interests of email effectiveness to preserve DM.

Lazar Dzamic is planning director at Kicatt Nohr

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Underwired reveals eCRM web offering

By Hayley Pinkerfield

Independent digital agency Underwired, whose clients include Peugeot, Virgin Megastores, News International, the Institute of Cancer Research and Deutsche Bank, has launched a web site focused specifically on its eCRM work.

The web site, www.eCRM.co.uk, provides case studies and elaborates on the agency's view that digital agencies will become better placed to manage CRM programmes over the next few years compared with DM agencies.

Underwired claims this is because digital shops are focused on immediacy of response and



Underwired: eCRM web site

cost effectiveness of the channels involved – email, web and mobile.

The agency recently announced that eCRM now accounts for 50 per cent of its revenue, and it has made board-level changes accordingly (*Revolution*, October 2007). Most notably, long-standing planning director, Lazar Dzamic, has been

replaced with a specialist eCRM team, while Tony Bond, former director of marketing industry M&A specialists Results International, has been brought in as finance director.

Felix Velarde, managing partner of Underwired, said: "It's becoming obvious that direct marketing agencies have the data insight, but no native understanding of digital channels. So launching eCRM.co.uk will be a platform on which we can set out our views and start attracting more talent from the DM industry, bringing data and segmentation expertise into the digital world, as opposed to the other way round."

Direct Stats

This month Mobile marketing is being used more for retention and for selling existing products than generating new revenue.

Hayley Pinkerfield reports

Mobile marketing is still a new and developing direct marketing channel, but expenditure is doubling each year, according to the DMA's Mobile Insight study (Q1 2007).

SMS is still the dominant mobile marketing format, represented by the highest volume. The majority of SMS sent were for mobile DM (50 per cent), while other types sent included customer service (28 per cent),

Type of marketing SMS sent



Source: DMA Mobile Marketing Insight Study Q1 2007

transactional (18 per cent) and other (4 per cent). The DMA surveyed mobile service providers (MSPs) estimated to account for 70 per cent of messages sent by MSPs.

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"There is an overwhelming desire among agencies and their clients to