

**Brand ALP**

Where to now  
for the  
struggling  
party?

**3**

# B&T

**\$4.50**

JANUARY 21 2005

• Vol 54 2503 • www.bandt.com.au

Ph: (02) 9422 2999 Fax: (02) 9422 2949

PRINT POST APPROVED PP255003/00532

AUSTRALIA'S BEST SOURCE FOR MARKETING, ADVERTISING AND MEDIA INTELLIGENCE • www.bandt.com.au

# Big future for direct mail

KATIE CINCOTTA

**A** bba's hit song "Knowing Me, Knowing You" could be the latest catch-cry for direct mail, which is becoming increasingly personal.

Who wouldn't be slightly chuffed to receive an addressed letter, your name personalised in an image, offering the kind of product you're interested in?

"It's economical now for marketers to personalise photographs for individuals, like a calendar with your name spelt out using different images. It's clever and impactful," Australia Post mail marketing manager Mark Roberts says.

Direct marketing expert Malcolm Auld works with SmileMedia, which supplies DirectSmile, this personalised mail software, in Australia. He says it is delivering European and American advertisers some of the highest-ever response rates: B2B responses of 30% and B2C responses of 17%.

"The last time something this big happened in the direct marketing industry was the invention of email marketing," he says.

"Variable data publishing can now give

you offset print quality using digital printing. And the personalisation is not just about putting your name on a letter. We're currently using map technology to draw location maps from somebody's house to the retail store," Auld says.

Another development at Australia Post is its new Impact design system, which allows advertisers to mail non-rectangular items.

"It opens up a whole new level of creativity. You can lodge bulk mail pieces in the shape of your product," Roberts says.

With the credibility of email still suffering due to spam, Australia Post reports direct mail volume growth of 5%.

"Direct mail is certainly not being overshadowed by technology like email but it is adapting. Marketers are using more refined targeting tools—mailing lower volumes but more frequently," Roberts says.

Publicis Dialog general manager Tony



While spam has affected marketers' ability to use email as direct mail, their use of traditional mail is growing. Auld (right) says recent technology improvements in direct mail are as significant as the advent of email marketing.

Gardner agrees that many advertisers were lured by the low cost of email.

"Sometimes that's very effective but at other times—given how crowded our inboxes are—it's proven to be a false economy," he says.

While financial services and telecommunications have traditionally found success with direct mail, FMCG marketers are now making more use of it.

Gardner predicts increased TV ad costs will push some brands towards direct mail and point-of-sale.

"I think FMCG is about to start using data-driven marketing a lot more. To get their commercials on air at the moment it's possibly 15-20% more expensive than 18-24 months ago," he says.

And in direct mail, the emphasis is on



data-driven marketing.

"If you've got data then you understand the person you're trying to speak to, and chances are you'll put a message in front of them that's individually relevant: that's intimate."

Gardner suggests TV advertising will also eventually become personalised.

"The ad that you see will be different from the ad I see. When it gets to that point, people who know how to use data in a creative and strategic sense will be the marketers that do well."