



DIRECT MARKETING AND IMPORTANCE OF PITCH PROCESSING

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Abstract: *The Practice of delivering promotional messages directly to potential customers on an individual basis. It is also sometimes known as one-to-one marketing or one-on-one marketing. It is an approach that concentrates on providing services or products to one customer at a time by identifying and then meeting their individual needs. Advertising is a form of communication used to persuade an audience (viewers, readers or listeners) to take some action with respect to products, ideas, or services. Most commonly, the desired result is to drive consumer behavior with respect to a commercial offering, although political and ideological advertising is also common. Advertising messages are usually paid for by sponsors and viewed via various media; including traditional media such as newspapers, magazines, television, radio, outdoor or direct mail; or new media such as websites and text messages. Commercial advertisers often seek to generate increased consumption of their products or services through "branding," which involves the repetition of an image or product name in an effort to associate certain qualities with the brand in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement. For advertisers, too, the pitch process has risen in importance. As advertising spreads into the digital realm - inundating the Internet and popping up on mobile phones - it has gained in complexity. Keeping track of developments in marketing, from television spots to direct marketing to in-store advertising, can be a bewildering task.*

Key Words: *Branding, Non-commercial advertisers, bewildering*

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DIRECT MARKETING

The term direct marketing is believed to have been first used in 1961 in a speech by Lester Wunderman, who pioneered direct marketing techniques with brands such as American Express. Although Wunderman may have been the first to use the term direct marketing, the practice of mail order selling (direct marketing via mail) essentially began in the U.S. upon invention of the type writer in 1867.

There are two main definitional characteristics which distinguish it from other types of marketing.

The first is that it attempts to send its messages directly to consumers, without the use of intervening media.

The second characteristic is that it is focused on driving purchases that can be attributed to a specific "call-to-action."

This aspect of direct marketing involves an emphasis on trackable, measurable positive (but not negative) responses from consumers (known simply as "response" in the industry) regardless of medium.

WHY USE DIRECT MARKETING?

Direct marketing allows you to generate a specific response from targeted groups of customers.

It's particularly a useful tool for small businesses because it allows you to ----

- Focus limited resources where they are most likely to produce results
- Measure the success of campaigns accurately by analysing responses
- Test your marketing - you can target a representative sample of your target audience and see what delivers the best response rates before developing a full campaign

CHANNELS OF DIRECT MARKETING

- Direct mail
- Telemarketing
- Email Marketing
- Voicemail Marketing
- Couponing



- Direct response television marketing
- Direct selling
- Integrated Campaigns

DIRECT MAIL

The most common form of direct marketing is direct mail , sometimes called **junk mail**, used by advertisers who send paper mail to all postal customers in an area or to all customers on a list. Junk mail includes advertising, circulars, catalogs, free trial CDS, pre-approved Credit card applications, are delivered to consumers' mailboxes by delivery services other than the Post Office .

TELEMARKETING

- Marketers contact consumers by phone.
- Telemarketing can also include recorded sales pitches programmed to be played over the phone via automatic dialing
- Telemarketing may be done from a company office, from a call centre, or from home.

E-MAIL MARKETING

- **E-mail marketing** is a form of direct marketing which uses electronic mail as a means of communicating commercial or fundraising messages to an audience.

The term is usually used to refer to:

- Sending e-mails with the purpose of enhancing the relationship of a merchant with its current or old customers and to encourage customer loyalty and repeat business.
- Sending e-mails with the purpose of acquiring new customers or convincing old customers to buy something immediately.
- Adding advertisements in e-mails sent by other companies to their customers.

VOICEMAIL MARKETING

- Voice marketing using an automatic voice mail broadcasting system can send thousands of prerecorded phone messages to call recipients at once.
- Messages are delivered to either live contacts or to their voice mail or answering machines. One of the most important features included with voice mail broadcasting systems and phone services is extensive voice marketing reporting.



COUPONING

- Couponing is used in print media to elicit a response from the reader.
- An example is a coupon which the reader cuts out and presents to a super-store check-out counter to avail of a discount.

DIRECT RESPONSE TELEVISION MARKETING

- A related form of marketing is infomercial
- TV-response marketing--i.e. infomercials--can be considered a form of direct marketing, since responses are in the form of calls to telephone numbers given on-air.

DIRECT SELLING

- Direct selling is the sale of products by face-to-face contact with the customer, either by having salespeople approach potential customers in person.

INTEGRATED CAMPAIGNS

- For many marketers, a comprehensive direct marketing campaign employs a mix of channels.
- It is not unusual for a large campaign to combine direct mail, telemarketing, radio and broadcast TV, as well as online channels such as email, search marketing, social networking and video.

A direct marketing campaign can help you to achieve the following key objectives

- Increasing sales to existing customers
- Building customer loyalty
- Re-establishing lapsed customer relationships
- Generating new business

ADVANTAGES OF DIRECT MARKETING

Flexible Targeting

Direct marketing enables you to talk directly identify, isolate and communicate with well-defined target markets.

Multiple Uses

Direct marketing doesn't just have to be used to sell - it can be used to test new markets and trial new products or customers, to reward existing customers to build loyalty, collect information for future campaigns, or segment a customer base.



Cost-Effectiveness

The cost per acquisition of direct mail can be significantly less than other marketing methods.

Rapid Delivery

Direct marketing is both swift and flexible in achieving results.

Testing Capability

Direct marketing allows you to test, test and test again in order to hit upon the most successful combination of direct marketing tools.

Targeting of Messages

Direct marketing can enable you to target different messages to different recipients.

Relationship Building

Direct marketing is far more effective at initiating and developing a meaningful dialogue with new customers.

Ease of Management

Direct marketing provides greater control and accountability than other marketing methods.

WHAT DOES PITCHING MEAN?

Pitching is a process of competitive selection of advertising agencies by clients. When firms want to outsource their advertising duties to agencies, they call for pitching wherein all short listed agencies present their thoughts on how to take the brand forward. The most appealing presentation finally gets selected by the client to handle its brand communication duties

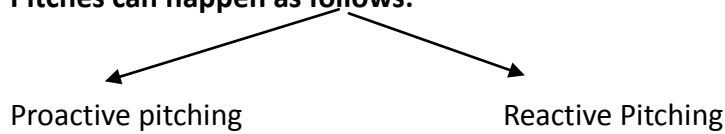
REASON WHY A CLIENT COULD BE READY FOR A PITCH:

They are expanding business with great plans and need a better partner to aid their growth they need a full-service communication partner and not just an advertising agency they want to be in the big league their current agency has out grown them and is looking for bigger billings



Fig: 1

Pitches can happen as follows:



PROACTIVE PITCHING

When an agency takes the lead in contacting a prospect Reactive pitching: This is in response to the client contacting the agency

The Proactive Pitching Process:

- Identifying the crack team
- Generating leads
- Finding the right contact
- Establishing the contact
- Opening the doors
- First client meeting
- Subsequent meetings
- Research
- Evolution of the agency and strategy brief
- Briefing the relevant internal departments
- Assimilating the output
- Finalizing the presentation
- Pitch presentation meeting
- Follow up
- The post -result period

Identifying the crack team:

The success & failure of an agency's new business initiative depends on the team they handpick. Different agencies apply different models for the same some agencies have a separate new business department. Some agencies assign teams by rotation some agencies identify a crack team from across their agency and normally make variations at the middle and junior level.



Generating leads:

This is the most important and toughest part of the entire process Getting to know which client could be pitch due requires huge networking Agencies are constantly devising new methods to get inside information about the key prospects All-in-all the key lies in identifying the correct prospect

Finding the right contact:

Once the agency has identified a prospect, it begins the exercise of finding the right person to contact. Getting information about key people is difficult. After identifying the right person its imperative to know his equation with the current agency (A close friend of the head, last person to lend you a sympathetic ear)

Establishing the contact:

Contacting a cold prospect requires tremendous dexterity and tact Ideally the cold call is made by someone in the higher echelons to lend a sense of importance and urgency to the call The attempt is to open a window of opportunity by extracting a meeting

Opening the doors:

Wooing process starts. Some agencies have been known to chase clients for years before extracting a meeting Approximately 80-90% cold calls fails generate a meeting Creative approaches starts (Sending extremely creative we want you desperately mailers to a desirable client for three months to break down client s resistance to their unwarranted pitch)

First client meeting:

Reaching this stage is half the battle won Agencies presents their credentials Attempts is to extract brief from the client or at least some of the issues client faces .This is the best time to ask as many questions as possible

Subsequent meetings:

Largely relationship building Seeking clarifications, sharing thoughts

Research:

This is the starting point or foundation of putting together a good pitch effort Client provides a broad perspective Agency conduct research Agencies employ all kind of research (Observation, Qualitative etc.)



Evolution of the agency strategy and brief:

This forms the basic backbone of the agency effort. The search is for the ideal and most creative approach to tackling the issue at hand Core groups get together to assimilate information and insights gathered in the research Evolve what is termed as strategy and from there the briefs. There are no ground rules for strategy evolution apart from doing intensive research work. The rest depends on the expertise of the core group

Briefing of the relevant internal departments:

Too many cooks spoil the broth Briefing to all the various departments and decisions should happen simultaneously. The briefing should be done in such a way that every member of the orchestra has understood the whole symphony and his role in the concert

Assimilating the output:

Ensure that all the team members are on track and are moving in the right direction. The process of assimilating the research, information, the strategy and the various discipline / department solutions should start well in time. The support teams should be given responsibility of putting together their pieces together in a certain form for integration and customization into the combined presentation

Finalizing the presentation:

The presentation plays a key role Agencies use their best presentation writers to craft a smart and intelligent presentation Technology is used widely Hectic preparations are frayed nerves are typical at this stage This is also the stage where the heads of the agency or the division in charge review and help improve the final output

Pitch presentation meeting:

Some agencies have been known to have a talent pool of the best presenters who are invoked at such crucial junctures Painstaking effort goes into planning the meeting from the venue to the people who attend from the agency , presenters , the chronology ,the seating order ,the experience etc. While planning creative attempts -the presentation is at a venue controlled by the agency. The creativity should not end up becoming a gimmick. The innovation is impact if there are no howlers.



Follow-up:

Some times life gives you another chance. Follow up exercise could prove to be a new lease of life for an agency that may not be the top contender. Some agencies send across follow up documents, short snippets, etc...

The post result period:

Clients normally call up agencies in the fray to announce the final decision The agency that wins signs the contract The final work that sees the light of the day is vastly different from the pitch solutions

REACTIVE PITCHING

The process normally starts with the client calling up the agency to come and pitch for their business

Reactive pitch process:

Remembering the brief that came from the client

Leaving a good impression

Making the presentation interesting

Keeping to the limit time

Anticipating the clients' questions

Treating the young people at the clients and equally well

Remembering the brief that came from the client:

Clients normally have a broad idea of the kind of agency they need. Some times it's easy to get influenced by the reputation of an agency in the market. Client-agency relationships are one of the most complexes in the business environment, requiring a substantial level of collaboration to be effective. Avoid the superior/subordinate relationship characterized by an atmosphere of mistrust, lack of respect for the agency's expertise, and undercurrents of intimidation. These tactics have no place in a partnership. Using fear of dismissal to "deal with" an agency undermines trust and productivity.

Leaving a good impression:

Agree on a clearly defined objective of the advertising you wish to create. Failure to define or agree upon the precise purpose of advertising dooms the creative process from the start. Give the agency the opportunity to be totally absorbed in your product, people, and culture. Exposing agency people to client weaknesses and secrets costs more money (service time)



and involves some level of risk. However, great clients totally immerse their agencies in their product. When an agency team thoroughly understands its client's corporate culture, it will more likely create campaigns that endure.

Making the presentation interesting:

- Create an environment of experimentation and be prepared to pay for failure.
- Great clients want advertising that stands out. However, nothing predicts mediocrity in advertising so precisely as a risk-aversion environment. Although it's natural to want to conform to rules and formulas in quest for a measure of certainty, elements of the development process are inherently uncertain. Trust that the outcome will be viable advertising.
- Be wary of change for change's sake.
- The first purpose of advertising is to create a distinctive image for a client. Imitating a trend, by definition, fails to achieve distinction. We believe success in advertising is achieved by finding a long-term positioning and sticking with it.
- Treat the agency people well.
- Great clients know its human nature for people to work harder for their friends than for business acquaintances. Facilitate an environment of friendship and collaboration to get more out of the agency.
- • Keep approvals simple and disapprovals kind.
- Nothing saps an agency's energy more than presenting the same work over and over at succeeding layers of the client organization.
- Be honest. If you don't like something, say so. Be specific. Don't ask for a new execution simply because this one "doesn't do it for me". Be kind. Think of the commentary as if you are evaluating the person.
- Make the agency responsible for the advertising and give them the authority it needs to do it.
- Too much involvement consistently denies the agency the ability to realize its vision. Some clients use lack of involvement to avoid sharing responsibility for a poor end result.
- Great clients state precisely why they disagree, then challenge the agency to find a solution both parties can agree upon.



- Make sure the agency makes a fair profit.
- If an account is unprofitable to an agency, that account will be less important to the agency.
- Perform evaluations of each other at least annually, and even more often in the beginning of the relationship.
- A good agency wants to know if there is a major problem before reading about it in the trade press. Great clients draw up the terms of evaluation in the initial agency partnership process.

Keeping to the limit time:

The timing of the presentation should be set to allow the agency to present the requested work, and the other participants to attend, ask questions and discuss the presentations. If the agency has been given a specific amount of time for their presentation, the client will expect them to have rehearsed appropriately, and stick to it. In cases where a member of the client team has decided to take some time with introductions or scene-setting, this should not be subtracted from the agency's time. Equally an agency should not be penalised if there is a delay for a technical problem. It would not serve the client's own interests to curtail the agency's presentation. Generally, however, an agency should not be allowed to overrun their time, unless questions or interruptions from the client side have caused it. Any extra time spent with one agency should be allowed to all in the interests of fairness.

Anticipating the clients' questions:

Clients want to know that the agency they select is a leader and not a follower. They want to make sure that it is at least constantly keeping abreast of current trends if not predicting what the next one will be. In addition, clients are interested in knowing how you are leveraging them to give your clients competitive advantage. Depending on the type of agency, the question can vary from broader consumer trends to specific category or vertical developments. What value does your agency bring to the relationship and how will what you offer help them compete more effectively and win. It's not about a laundry list of capabilities – as every agency claims to have every capability. Take the time to ask yourselves not only what you do well, but also what it is about what you do that makes you measurably better than the competition. Remember that you cannot be all things to everyone.



Treating the young people at the clients end equally well:

- To attract, develop and retain the best people is the objective of most successful organisations.
- Listen equally. Communication between people is paramount when it comes to treating people equally.
- Show people consideration no matter if they are young, old, poor or disabled. A bit of common courtesy goes a long way.
- Scrutinize rules. Although rules were theoretically created to treat everyone equally, they may be impractical -- or even wrong -- in some instances.
- Offer people what is appropriate for them as an individual.
- Know individuals before you form an opinion about them. Avoid making snap judgments about people.
- Act differently toward people in certain situations; you need to be practical about treating people equally.

THE 20 KEY PRINCIPLES

Here are the 20 key principles which should guide the organization and execution of a competitive pitch.

1. Always try to make the relationship work before resorting to a pitch
2. Make a priority of dealing fairly with the incumbent agency
3. If at all possible, avoid full creative pitch, which can be costly and time consuming for both parties.
5. Use additional consultation if there is no internal pitching experience
6. Before calling a pitch, be very clear on your communications objectives, to enable you to specify the agency's role, scope and budget
7. Establish a firm and realistic timetable
8. Be clear about policy on communicating with the press and internally briefing and selection
9. Write a clear, concise and well thought out brief
10. Ensure that the criteria for evaluation/decision-making at each stage of the process is clear and agreed by all parties in advance, to take you from consideration list, to long list, to short list



11. Be disciplined about RFI's (Request for Information) and RFP's, (Request for Proposal) if used Managing the pitch process
12. Be open about the issue of pitch fees and expenses; always respect national rules & agreements
13. Use "chemistry" meetings to get to know agencies
14. Creative pitches; use "tissue meetings" – if there is time – to help the creative development process
15. Be formal about scoring and evaluating the pitches
16. Conduct pro forma contract discussions to manage expectations, and avoid embarrassment after the Pitches
17. Offer the losing agencies a debrief Post-pitch
18. Manage the pitches sensitively, and treat documents with respect and absolute confidentiality
19. Be scrupulous on intellectual property issue
20. Manage the transition and hand-over process with ca

It is easy to measure results because you know exactly how many people you've contacted in the first place.

DISADVANTAGES

- Some people do not like receiving offers in their mail, and throw them immediately without even opening the mail.
- Resources need to be allocated in the maintenance of lists, as the success of this kind of promotional campaign depends on the quality of your mailing list.
- Long lead times are required for creative printing and mailing
- Producing direct mail materials entail the expense of using various professionals - copywriter, artists, photographers, printers, etc.
- Can be expensive, depending on your target market, quality of your list and size of the campaign.
- Government is implementing tougher measures to curb unscrupulous telemarketers
- Wrong choice of product or poor creative may cheapen the image of advertiser



FINDING THE MAGIC IN DIRECT MARKETING

- Keeping Fresh
- Remember every day is a gift for you
- Use the power you already have
- Stay Alert
- Constantly improve yourself

CONCLUSION

Direct marketing is on the most effective tools in the marketing scenario at present. If utilized to the maximum end result will be productive. Competition is healthy, in that it stimulates growth, promotes creativity, & encourages training, However it is important that the competitiveness be directed to constructive development and not lead to "unwarranted disruption of productive agency-client relationships for this purpose Advertisement plays a vital role. The best advertising is only created in the absence of fear. A successful joint effort is achieved only through mutual respect of intelligence and expertise

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