# HELLER REPORTS QED

## THE FUTURE OF DIRECT MARKETING

## LEE WILSON - HEADWAY STRATEGIES

I have been doing **email marketing since 1995** - we built a real expertise at Chancery in it.  Used it for targeted rep level events at Pearson.  Drove new revenue most recently at Harcourt Achieve.  Currently I'm advising companies on marketing, sales, and business development issues and I've become an active blogger.

I'm **not going to talk about the mechanics** of email marketing - when to send etc. - I'm going to **focus on the nature of the relationship** you build with email.  I'm going to argue that for most of the sales cycle **your primary goal should be authentic engagement, not closing deals.**

Time to move **beyond the militaristic notion** of marketing of campaigns and guerilla tactics.  We need to be on a conversation not a war.

It is still vitally important that you **start with a good list like those you can get from QED**.  Everything said so far is relevant and important.

But I want to talk about **eMail 2.0, eMail marketing in the conversation economy.**

# Broadcast Marketing

- Marketing used to be about <u>broadcasting</u> a <u>message</u>

- Marketers became very efficient at this

- But it is still an inefficient way to generate business

- The proliferation of "channels" spells the end of this era

**Email 1.0 was demographic and offer driven.** We infer things from demographic information and blast messages to as many people as we can who fit that profile. **The quality of the list and the offer are the central foci. The same thing or small variations got sent to everyone.** Given the costs this is **still an incredibly efficient** way to sell. I'm not knocking it. But you can do dramatically better with eMail 2.0 approaches.

Heres the Issue - the QED eMail study said that **special price off** offers are what educators want the most - but consider that **you have to have someone ready to buy for that to make a difference.** Hence - you are competing at the time of the sales cycle when you have the lowest impact on the decision. And - because of **the highly cyclical nature of K12 buyin**g there are only a couple of times a year (towards the end of budget cycles) when this is likely to be very effective.

For administrators 5.96 emails a day translates into roughly **1,250 vendor emails per year.** With that amount of practice they have gotten really good at tuning out what they don't want to see. Proof - administrators only make **3 purchases** based on email (.24%).

**The time to reach them is when they are doing their research early on.** They will look to the company to both have a **bias** but also to have **expertise and information** they do not have. Your goal is to package that expertise it in an authentic way.

**Boeing Marketing blog Example.**

# CHANGES

- Blogs, social networking sites, wikis, crowdsourcing and other tools are putting people on charge of what they see and when they see it

- People have learned how to <u>tune out the shouting</u>

- Expectations across ALL media are different

Buyers were likely to buy on-line after getting a catalog - 69%.  But **what is different today - the amount of reference checking** they can do on a product.  They will still call 2-3 friends - but they are also likely to do a quick web search and find comments from other teachers who have used something (this matches general purchasing behavior across all markets that we are seeing).  Again, **having an active conversation going on about your stuff (good and bad) reinforces this part of the process.**

**It is going to happen whether or not you are involved.**

# TALK TO THE HAND

- "Media rule of thumb: if people wouldn't miss your ads/content/noise if it went away, you should find something else to sell to advertisers. Not because it is ethically wrong to annoy people just because you can, but because in a world with a bazillion channels, people will just ignore you if they choose to."

Seth Godin

**From the QED Survey - Teachers open email from "someone they know"** - this could be a vendor. The next category down is less than 1/3 as important - this is no contest. For administrators - promotional offers are 12% Important/Somewhat Important vs. 84% for "someone I know" - **this isn't close. It isn't the offer - it is a relationship, a conversation.**

# CONVERSATION



- "It is person to person and uses common language instead of corporate lingo. Both sides talk, and what one says is dependent upon what the other has just said. Both parties are engaged in joint problem solving; neither is trying to win or prevail. Conversation is designed to allow people with different views to learn from one another."
Lois Kelly



Take each statement and ask if this is how you are engaging with customers today.

It is relevant, personal, authentic, and timely?

# Starting the Conversation

- Integrated Marketing Campaigns - Email to good Web content - OK

- Providing a service - Better

- Engaging with your customers - Best

- Think attraction not promotion

**eMail 2.0 is about engagement, personalization, and is activity triggered.** A conversation. **You do something, the company responds** - specifically to that action and in a **timely** manner. **You get an email because you did something or are about to do something.** You downloaded a pdf, requested a sampler, signed up for a seminar, had a birthday, got appointed to a committee. Money quote - "People don't say what they mean, they do what they mean."

Example - your **iTunes receipt** has links to other songs that you might like based on what you just purchased. They manage to touch you when you are still in buying mode - you are far more likely to open the receipt and to act on this information. Another example - **Airline receipts with links to schedule rental cars.** Why shouldn't **textbook book receipts** have links to schedule **paid inservice** that goes with them or related materials?

Y**our goal should be to capture a live return and to begin managing that in your CRM. Autoresponder technology** that is event driven is the key to making this work on any scale. This has to be paired with the ability to build a **behavioral profile** in a database or CRM.

# The Toolkit

- ## Social Networks

  - We Are Teachers, Teachers Pay Teachers, Facebook, Linked In, etc.

- ## Social Publishing

  - Wikis, Blogs, RSS, YouTube, Curriki, etc.

- ## Communication tools

  - Skype, iChat, WebEx, Plaxo, Boot Camp etc.

Missing – the backend – CRM and Autoresponders.

Find a way to personally use as many of these as you can.  Start small, pick one.  Or just bounce around and take a peek at all of them.

But at some point you need to engage.

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# Rules of Engagement

- Something to do beyond giving a name and address

- A reason to come back - new content

- A reason to contribute - networking

- A platform for all voices - community

- Live your brand promise

- Bottom line - its about learning

Although – **getting just an email and permission to talk to them back from the customer is the pre-requisite to all the rest of this.**

**Build behavior and response trees so that you can manage this – 3-5 not 50.** You join a discussion group – get a welcome email. You make your first post – get an email thanking you and letting you know how many people read it. You help another reader – get a thank you from support (manual).

**You are looking for every opportunity** to send someone an email because they just did something rather than sending out a blast."

# Benefits

- Passionate engaged customers

- A tight feedback loop

- Credible honest engagement

- Viral references

- Freedom to experiment

This is about building **a closer relationship with your key customers** so that they can carry a good message about you into the marketplace.  It can also be a way of **lead nurturing** – while they come to bloom over time.  What happens to leads once sales decides they are not hot enough?  **Most of these folks eventually buy** – it just may take them outside of sales window of opportunity.

**40–60% of sales in K12 are based on references** – not on sales or marketing.

Data - share data from National Instruments - scientific tools company.  They have a 25% open rate with a 5% click through rate (CTR) for one off blast newsletters.  But they have **a 30-50% open rate with 30% CTR for activity triggered emails in a multitouch campaign.**

**Adjust your volume expectations – way down.** Stats from my blog – 652 unique visitors in the last month spending an average of 2.5 minutes per visit.  If I were doing that via email I would have had to send out 65,000 emails.  Instead I had the equivalent of 40 hours of conversations with zero time overhead (scheduling a call, traveling, etc.).  My actual investment of time and money – about 10–12 hours and $9.

# Challenges



- Loss of control

- Lower production values

- The existing stuff doesn't go away

- Sustained commitment of $$ and time

- Trolls and troublemakers

- You don't know anything about it

Accept it – **people will be talking about your products on-line** whether you are engaged in the conversation or not.

**Content really is king – production values matter less.** YouTube, Virtual Worlds, Blogs, none of them live up to the vaunted production standards of the Professionals – and yet they are all thriving and disrupting those professions. Figure that out for textbooks.

You **still need to do demand generation activities** – this is added. But – **cut tradeshows** for gods sake.

**Don't dip one toe in and leave** – this is how things are going to be done.

**Let the community police itself most of the time** – if you have engaged with them people will stand up for you. If not – well you will get the youtube of the Verizon employee asleep on the couch while on hold with his own company.

# GETTING STARTED

- Find a conversation you want to be part of and jump in.

- Lurk, then comment, then author.

- Pick your passion - understand the experience you want your passionate customers to have

- THEN take it to work
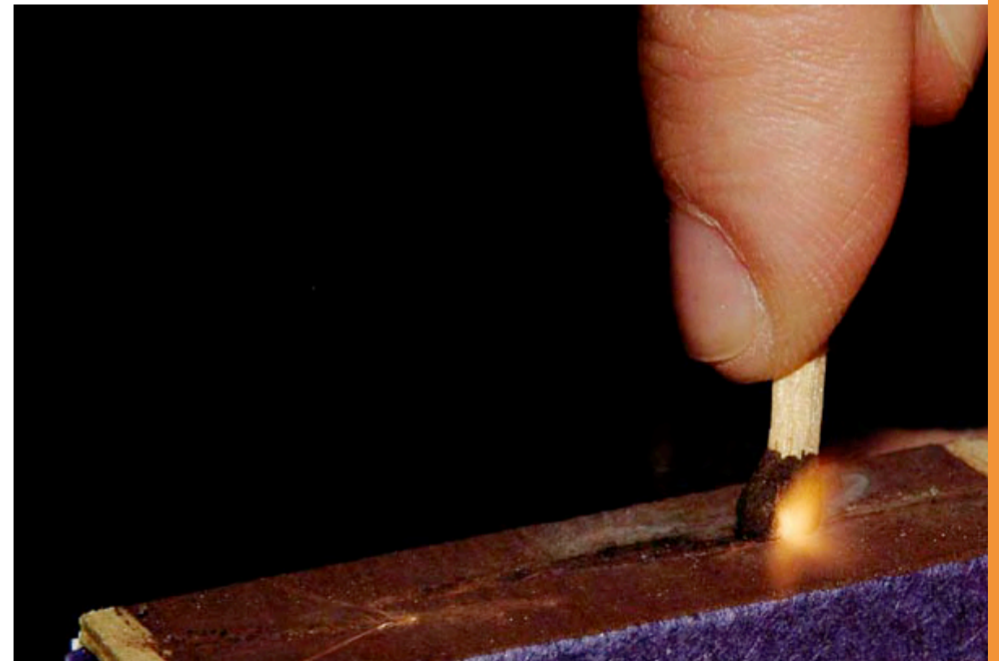
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