



# Direct Marketing During a Recession

*A guide to getting the best results  
on a tight budget*

## Direct Marketing during a recession – what's the difference?

Recessions, downturns generally, are times of great change. As we are all aware, businesses face grave challenges and some may not survive. Those that do, may have very different needs in the future. Even organisations that weather the storm can experience personnel changes, including the purchasers of your products or services.

If there is a 'V-shaped recovery', then existing knowledge and practices are likely to remain suitable. However, more typically the changes are more permanent, or leave 'scarring', which means we can expect the knowledge we have built up over many years to be called in to question. This huge uncertainty can lead to a form of paralysis. Some companies will push on with the same approaches, to the same audience, whether or not that works, for lack of a clear idea of what else to do. Others will hold off, in the hope that inspiration, or clarity will arrive to rectify the situation.

However, recessions can also offer great opportunities, for those able and willing to reach out and grab them. You will be familiar with tales of great fortunes created during The Great Depression in the 1920's, they are the stuff of business folklore. Courage is an underlying theme in these tales, but so is identifying and understanding rapidly changing situations and adapting to the opportunities that present themselves.

You are likely to lose customers, as more companies go bust, the needs of other customers will change. The same happens for your competitors, you may each lose or gain customers from each other.

New markets can also open up, think of gin distilleries producing hand sanitiser. Others may experience hyper expansion, such as webcams, PPE, delivery services, fleet vehicles and vehicle maintenance. Be alert and be clever.

As one winner of The Great Depression, John D Rockefeller, said:

*"Turn every disaster into an opportunity"*

This is a practical guide to help you manage successful Direct Marketing campaigns and take any opportunities this disaster may present to you.

In addition, significant changes have recently taken place in the area of personal data protection, including GDPR. The law is now woven throughout Direct Marketing, so this guide includes vital information about how to conduct your campaigns with compliance front of mind, protecting personal data, respecting data subjects, and avoiding the risk of breaking the law.

## Our Approach

The stages we encourage you to use when managing a Direct Marketing campaign are;

1. Goal
2. Plan
3. Implement
4. Evaluate

We break each stage down into constituent parts, covering the ones which are common to most campaigns, but your specific product or circumstances may lead you to include others.

### Thinking Data Protection ...

These sections highlight data protection implications you need to consider.

## 1. Goal

It's important to define your goal, or goals. Without a goal, you are unable to measure the success or failure of your campaign. Describe what success looks like and then write specific, measurable goals around this.

Having a goal is also important in the planning process. When you know what your objective is, you can easily identify what you need to do, to achieve it. Goals are also helpful if you need to justify your budget.

You will have heard of SMART objectives and we believe your goals should be SMART:

**Specific**

**Measurable**

**Achievable**

**Realistic**

**Time-bound**

Example SMART goals:

- More orders – X number of orders, X value, by X date
- More customers – X new customers, in X sector, X Average Order Value, by X date

Be realistic. Make sure your goals are achievable within your budget, resources and time frames.

## 2. Plan

### **Communication Medium**

Depending on your audience and goals, decide what direct medium you will use to reach your prospects with your message. It could be:

- Email
- Direct Mail
- Telemarketing
- Social Media
- A multi-channel approach

#### ***Email***

Over recent years, email has grown to become the dominant Direct Marketing medium. This has led to changes in how DM emails are handled, both technologically and at a human level.

The vast majority of marketing emails are classified and filtered out in an attempt to reduce 'spam'. Only a small minority of emails sent actually reach the recipient, but as we all know from experience, a lot still get through. Email Marketing is therefore a very congested and noisy space and recipients have developed coping techniques. As users, we are now very adept at deleting marketing emails with remarkable speed and (disturbingly, from a marketer's perspective) with little consideration.

Despite the attractively low cost of email marketing, it does not always deliver the results you want. To reach your goal you may need to use very large datasets as the conversion rate is typically very low.

#### ***Direct Mail***

Sending physical mailings seems terribly 'old-school' in the 2020's, but there are still good reasons to think it is a worthwhile medium.

Firstly, it is much less contested than the email space. The volume of marketing mail received in the post nowadays is very small.

Another factor, especially for some products or services, can be the 'perceived value' attached to the direct mail, by the sender. Email is perceived as cheap and therefore many recipients, consciously or otherwise, consider the products or services on offer to also have low value. By contrast, with direct mail the recipient recognises that the sender has invested in the communication. This has been observed to carry a positive association for the products and services.

The pandemic has caused many people to work from home, but physical mail is normally either being forwarded periodically, collected periodically, or scanned and forwarded by email. The

scanned version is received more successfully than a marketing email, probably because the sender comes from within the organisation.

### ***Telemarketing***

Telemarketing often delivers the greatest single medium results. It is also the most expensive Direct Marketing approach. It takes time and effort from skilled personnel to communicate with prospective customers, but the main advantage is that those skilled people can adjust the conversation to suit the needs of the recipient, maximising the opportunities.

Both email and direct mail can be considered fairly blunt instruments. Despite the quality of the copy, the interpretation of the message is left to the recipient. Telemarketing, by contrast, can be considered to be a more precise and flexible Direct Marketing tool, offering a better ROI.

### ***Social Media***

Many organisations have tried to use social media to generate interest in the B2B space. There is little conclusive evidence that this works. Social media tends to be a more personal medium and therefore recipients typically interact with it in a personal way, meaning your brand or product needs to affect them personally.

Evidence suggests that for social media to work in the B2B space, you need extremely strong brand awareness and ideally some personal affinity with the brand. For example, a Premiership football club may be able to get some traction using social media when trying to sell corporate boxes in the B2B space, but this depends significantly upon the recipient being personally influenced by the association.

#### **Thinking Data Protection ...**

Please note: The same personal data protection restrictions apply when using social media, as with all other media. However, the recipient is more likely to be 'surprised' by your processing in this space.

### ***Multi-channel***

Marketing literature often mentions the need to 'touch' prospects with a message many times before they feel inspired to try the offer. There are different views on the number of 'touches' required, but most agree that a single contact is less likely to lead to a conversion than multiple contacts will. Any contact using any medium will be a 'touch' but using a combination of approaches (creating many 'touches') increases your chances of conversion.

Many organisations have processes in place to prevent marketing communications getting through. By using a multi-channel approach, you increase the chance that your message will be received. If your competitors are limiting their media usage, there may be some untapped demand for you to uncover.

An audience will unconsciously have greater engagement with a message they receive via multi-channel.

## **Volumes, Values and Viability**

You may need to put together the business case for the marketing budget for the campaign. It is important to establish the costs and benefits, or the Return on Investment.

### ***Response rate***

The 'response rate' is the proportion of recipients of your marketing who become enquirers.

Aside from the channel used, there are other factors, such as strength of brand, or the tone of copy, that significantly affect response rates. Our experience over the last 25 years gives us a broad understanding of the response rates you could expect from using each channel.

Here is a break-down of typical response rates to help you think about the volumes and budgets, required. If you already know your response rate, it will be most accurate, so use that.

<b>Channel</b>	<b>Send : Enquiry Ratio</b>	<b>Percentage Enquiries</b>
Email	1,000 : 1	0.1%
Direct Mail	134 : 1	0.75%
Telemarketing	100 : 1	1%
Multi-channel	67 : 1	1.5%

### ***Conversion rate***

Your 'conversion rate' is the proportion of enquirers you turn into sales. You will have the best information for this from internal sources. This varies significantly, but typically, approximately 2 enquiries generate 1 sale, therefore 2:1, or 50%. Once again, use your figures if you have them.

### ***Calculating volume***

This should be a relatively straight-forward calculation.

This is calculated by using your goal and the anticipated response rates. However, you must also factor in your conversion rate.

### ***Example calculation for Direct Mail***

**Goal** = 5 orders (within 3 months)

**Enquiry to Order 'conversion rate'** = 2:1

**Direct Mail Send to Enquiry 'response rate'** = 134:1

This means:

To get 1 order, you will need 2 enquiries (so to get 5 orders you need 10 enquiries).

To get 1 enquiry you will need to send 134 direct mail pieces (so to get 10 enquiries you need to send 1,340 direct mail pieces).

### ***Calculating value***

We need to establish how much the campaign will cost, and how much it will make. This is also called a 'Cost/Benefit Analysis' or a 'Return on Investment Analysis', ROI for short.

### **Average order value**

Your 'average order value' is an important figure. Often, we cannot say what a specific order will be worth, but the average provides a good approximation. Be aware, many organisations offer discounted introductory offers, even loss leaders, particularly where the lifetime value of a customer is high. Others know that first purchase may be the most significant, or even the only sale. In these cases, a better figure would be your average FIRST order value. For simplicity we use 'average order value' (AOV) in this example.

### **Benefits**

Using the calculation above, the benefit would be 5 orders - at your average order value.

In our example we use an AOV of £375, with 5 orders the immediate benefit of this campaign is £1,875.

### **Costs**

Of course, you need to factor in the costs, which can vary significantly. Here are some sensible estimates for this example calculation.

#### **One-off costs**

Purpose	Unit Cost (£)	Total Cost (£)
Copywriting	2 hours @ £20 per hour	£40
Graphic design	3 hours @ £18 per hour	£54
<b>One-off Total</b>		<b>£94</b>

#### **Per-item costs**

Purpose	Unit cost (£)	Quantity	Total Cost (£)
Digitally printed mailer, including postage	£0.65	1340	£871
<b>Per-item Total</b>			<b>£871</b>

#### **Consolidated costs**

Cost type	Total Cost (£)
One-off costs	£94
Per-item costs	£871
<b>Campaign Total</b>	<b>£965</b>

### **Cost/Benefit, Return on Investment, ROI**

We can now show that for an investment of £965, the business will sell £1,875, and gain a direct profit of £910.

Your ROI is  $1875/965$  or 1.94, or to put it another way, you will get £1.94 back for every £1 you invest. This example represents a pretty solid business case!

### **What if ... ?**

You may well wonder what happens if things don't go as planned. Maybe you don't get all the orders you hope for, or perhaps you have to offer bigger discounts, impacting the AOV. These questions are often questions posed by senior decision makers when considering budget requests.

With the information you have now prepared, you are able to 'wargame' various outcomes.

For example, looking at the number of sales, if you get 4 orders, that's £1,500, so you still comfortably cover the campaign costs, even at 3 orders, £1,125 still makes a profit.

Another example, even if you need to offer bigger discounts, you can now see point to sales of £193 being enough to cover the campaign costs. This represents only 52% of the normal AOV of £375.

Most organisations intend to gain customers because they place more than one order. For a genuine business proposal, you would normally want to include a lifetime value for customers also.

### **One key assumption**

You probably noticed that the costs above, were based on the assumption that every direct mail piece will be delivered. However, 100% deliverability is virtually impossible to achieve, particularly at a time when businesses are going bust and people are moving on. In the example we have assumed you are using internal data.

If your internal data has not been maintained, you may have significant undeliverable addresses. A high undelivered rate of 50% would mean you would need to send twice as many direct mail pieces to achieve your target, increasing your costs significantly.

Using the same example, your costs would increase to £1,836. Suddenly the campaign doesn't look so lucrative. The data you use can make a huge difference.

### **Data Sources**

Here we'll explain how you can make sure the data you use, delivers the results you need.

#### ***Internal***

Most organisations have a customer list and a list of enquirers which has been built up over many years (often called a prospect list). This data is rarely revisited and is often, very out of date and inaccurate. It is tempting to use this data, it costs nothing and these contacts already know about you.

Here are some surprising facts about B2B data:

In a normal year...

- 250,000 businesses (out of approximately 4 million) cease trading
- Over 25,000 (out of 1.75 million) postcodes change
- 175,000 people of working age die

But in a recession, the number of companies that cease trading will certainly be higher. Corpdata research shows that decision makers change job every 20 months on average, this also changes more rapidly during a recession. The world changes and if your data is not keeping up, then it will produce disappointing results.

### Thinking Data Protection ...

There are even risks in using your own data. UK data protection law places some restrictions on how personal data (information about people) may be used.

One of the key elements of data protection law is that data subjects should know that you are processing their data (How and Why). They should not be 'surprised' by how their data is being processed. If you have collected your data over many years, it is possible you have not been sufficiently clear about how you use it.

If you plan to use your list for telemarketing, you should screen it against the Telephone Preference Service (TPS) and Corporate Telephone Preference Service lists (CTPS).

UK data protection law also says you are guilty unless you can show that you are not and can issue fines of up to £20 million.

This document does not cover data protection in great depth, if you would like to know more about it, please contact Corpdata, or visit: [www.corpdata.co.uk](http://www.corpdata.co.uk) for more information.

### **Publicly available data**

There are many sources of data that the data subject has made available of their own free will. Company websites, social media, collected business cards, exhibition show guides and government resources, such as Companies House, are all platforms from which data can be gleaned.

If you have the time, or the technical expertise, it is quite possible to capture data from these sources. However, that doesn't mean it is accurate. Many companies will still have a web presence, long after they've gone bust.

LinkedIn will tell you about people who work at a company, and about who once did (but have not updated the information because they moved to a different sector). This data has all the characteristics of internal data sources, namely you cannot really speak for its veracity adequately.

### Thinking Data Protection ...

Publicly available data carries the same data protection risks as internal data, but they are in fact magnified. The data subject will most often NOT know you are processing their data and will therefore be much more likely to be 'surprised' when they are contacted.

When you took the business card at the trade show, did you tell the person you would send them marketing?

When the company Director put their name on their website, did they want you to contact them?

Did the contact you found on LinkedIn want you to market to them?

### **Licensed data**

List owners compile and maintain lists of companies and decision makers specifically for use for Direct Marketing. This means that the data will have a cost (which we did not factor in earlier) but it typically has some benefits, which include:

- The data should be up to date, which minimises the undeliverable rate
- You should be able to choose data to suit your needs and volumes (we will look at targeting in more detail in the next section)

It sounds obvious, but ensure that you can get details for the media you intend to use, for example, if you want to phone them, make sure your supplier provides phone numbers.

The most reputable suppliers will offer you quality guarantees. This should mean that you are not out of pocket for data which is no longer accurate.

Always get samples. However, don't accept a list of records offered by the supplier (this will be a 'golden sample'). Ask for a list of records where you know, or can verify the information and try to obtain it at short notice to ensure those records aren't polished. We would suggest, 5 - 10 records within your town or city, in your industry, because you typically know them well. Above all, beware of things that seem too good to be true!

### Thinking Data Protection ...

A top-quality list owner will help you demonstrate how you comply with the laws, including helping you with documentation and terms of use which keep you on the straight and narrow.

You will need to do your due diligence to make sure you can show how you are complying with the law. This is not covered in great detail here, but our document of [Due diligence questions to ask data suppliers](#) is a good place to find more information.

You should look for answers which are consistent with other information you have about the supplier. It goes without saying that you should only use suppliers who answer satisfactorily.

### Fulfilment suppliers

You will need to find potential suppliers or fulfilment houses, who can demonstrate that they are able to meet your needs for quality, punctuality and volumes.

### Thinking Data Protection ...

If you need your supplier to process personal data, for example, printing names and addresses on envelopes, or an email broadcaster sending email, then you need to ensure that they are also complying with data protection laws.

UK data protection law says *'you can't blame someone else if things go wrong'*. Once again, you need to do your due diligence. You must have a written contract between you and the supplier which covers data protection provisions. We don't cover that in detail here, however this [processor contract requirements document](#) provides the necessary information, together with a template for the contract between you.

One final complication is over the transfer of personal data outside the UK / EU. UK data protection law protects us all by saying that our data cannot just be transferred somewhere else and then processed willy-nilly. Personal data can only be transferred to places offering adequate personal data protection.

The US is not considered to offer sufficient protection. There used to be an additional scheme called *EU-US Privacy Shield* which made it legal when companies signed up to the extra provisions of the scheme. However, on 16<sup>th</sup> July 2020, this was abolished, so now there are very few legal ways to transfer personal data to the US.

This is important because many popular email broadcasters, such as MailChimp and ConstantContact, are US based. You may be breaking the law if you use their services without ensuring that they provide adequate personal data protection.

## Thinking Data Protection ...

### Data Protection Planning

#### ***Fair Processing Notice***

You will need to tell data subjects about your processing of their data, this is called a '*fair processing notice*' and needs to be factored in to your copy. The requirements are specified in data protection law.

Data subjects are also entitled to ask you for access to their personal data. You should plan how you will deal with '*subject access requests*'. You must respond within 30 days and cannot charge for providing the information. Once again, the requirements are specified in data protection law.

Finally, especially if you use your own data, you need to anticipate that a very small proportion of recipients will be upset by receiving your communication. You should consider how you will handle these issues.

#### ***Opt-outs***

One protection that data protection law offers around Direct Marketing, is the right of data subjects to opt-out. So, whether or not you already have a list, you will need to maintain one and you will need to suppress any Direct Marketing against that list, at the time of the communication.

You may already have people who have asked you not to contact them. These might be held on a suppression file, or an opt-out list, and you need a rigid process in place, that ensures they are not included in any Direct Marketing.

#### ***National Opt-Out lists***

There are a number of national opt-out lists - in the B2B space they are mainly concerned with telephone contact. Make sure any data you use is screened. Telemarketing data needs to be screened against the TPS and CTPS lists.

#### ***Subject Access Requests***

Recipients may contact you to understand why you have used their data. They may make a '*subject access request*', but these are not always expressed this way. Ensure your front-line team know how to deal with recipient queries and to ask suitable questions that will identify a subject access request. You should also prepare any documents you will need to satisfy the SARs quickly.

Please contact us if you need more information about your data protection concerns.

### 3. Implement

#### **Creative work**

Our guide does not focus on copywriting and graphic design. There are excellent guides available online that cover how to write good copy and there are many agencies, freelancers and per hour workers who can fulfil these roles effectively.

Images to support your copy can be licensed through services like iStock and graphic designers can readily help you choose the right imagery for your brand and campaign.

Our experience suggests that a clear and precise message works best. Too much content can be confusing, or overshadow the key points you're trying to convey. Images illustrate meaning quickly. They are most effective when supporting your key points.

Make sure you include a '*call to action*' in your campaign material, this guides the reader in to what action to take next, converting them in to 'responses' or 'leads'.

There is a host of research available covering the best way to present these, but clear, prompting phrases like '*Go to the website for your offer code now*' or '*Call now, offer ends tomorrow*' are very effective. They convey a sense of urgency, show people what to do and the advantage in doing so.

You may want to include landing pages, either within your website, or external ones. A landing page is designed specifically to support your marketing message, it also captures information, such as name, contact phone number or email address.

Pulling all these items together should be straight-forward, but our advice is to allow plenty of time. In our example we only provided a few hours of work, but remember you will need to brief these people and to read, consider and approve their output. You will also need to get any other approvals required within your organisation. If your deadlines are too ambitious you may end up rushing the output, and that tends to show up in the results.

#### **Data Targeting**

If you choose to license data for your campaign, you will need to decide your target audience. It just isn't possible to say who actually wants your product or service, so targeting is intended to focus your efforts.

#### ***Tight Targeting***

One approach is to try to define your audience very precisely. Marketing agencies often recommend this approach. This has the advantage that everyone in the list should be almost perfect for your product. The downside is that the list is likely to be small. You may feel it is sufficient to have enough contacts for this campaign, however we would encourage you to also consider future campaigns.

Imagine you have now approached everyone who perfectly suits your product. Where can you go next? Are you deliberately going to choose an audience that is less suitable? If so, how?

If you target very tightly, you can create a one-shot wonder. You may get good, or even great results, but everything after that is likely to be disappointing. Worse still, you have to learn afresh each time.

### ***Your Audience***

A good approach to describing your audience is to look for common features in your existing customers. You may know that they tend to come from certain industry sectors, or that you tend to sell to HR decision makers in SME's. Describing your existing customers in this way is can help to identify future prospects. However, it is backward looking and is the output of previous marketing efforts.

There is a danger of creating a feedback loop where you only market to what has been successful so far (i.e. your results come from there, so it seems that is where you need to market in order to be successful going forward). Be cautious. This can also be accidental, or at least historical and may no longer be suited to the fast-changing recession world.

### ***Exclusion Targeting***

We have noticed that many of our most successful customers choose to use targeting to ***exclude*** prospects for whom the product or service is ***not relevant***. This tends to provide much more data.

This means you may have a repeatable campaign. If you contact a portion of the target audience, you will discover the results, and will have other portions to contact in the future. By using this as part of your business development plan, you will be able to predict with a reasonable degree of accuracy how much return you will get from any subsequent campaign.

We would encourage you to focus on your core areas, of course, but also to allow some blurring at the edges of the targeting. In some ways, the perfect outcome is to find a new customer in a market which is unexpected. You may discover a whole new revenue stream!

If you are struggling with data targeting, Corpdata data consultants will be happy to help you find a targeted list to suit your needs.

## **Maximising your value from licensed data**

You probably already have in-house data. Every reputable data supplier should be able to suppress data you already know about, so that you do not waste money on information you already have.

Some data suppliers will charge for this, or require you to use a third party to perform the deduplication process. At Corpdata this service is offered free of charge and the processing of your data is governed by a written processor contract as mentioned above.

### **Thinking Data Protection ...**

#### **Simplifying data protection compliance with licensed data**

Your data supplier should be doing many things that help you comply with data protection law, such as providing updates when the data changes. Good data providers should only provide data that complies with all laws and will not leave you in hot water.

We would urge you to check with prospective data suppliers, how they help you comply with the laws.

If you have any questions about data protection and compliance, please contact our data consultants who will be happy to help you.

## **Data Delivery**

Delivery of data you license should not be a bottleneck in your campaign implementation. Your data supplier should be able to fulfil your data order within a day. Some of the best data suppliers, like Corpdata, can get your data to you within an hour or two.

## **Planning and Fulfilment**

From data lists for calling, email or print to imagery and copy, no matter which media you use for a campaign there is always a need for a high level of coordination to get all of the parts in the right place at the right time.

We suggest you draw up a campaign plan, listing all of the elements that need to happen, when and by who. Create a timeline and allocate deadlines for when things need to be completed by.

## **Inbound Enquiries**

You plan to generate some inbound enquiries from your campaign. Ensure that your sales team are aware of the campaign and any specific offers or messages included, so that they are able to respond to any enquiries with knowledge and professionalism.

Ensure that your sales team know that you want to understand the source of the enquiries, so that they can ask the appropriate questions during their conversations. A team briefing should be a big part of your campaign plan.

Be aware that there could be occasions when several enquiries arrive together, you may need to have additional capacity to cope, especially if you send a large campaign. A nice problem to have, but be prepared.

## 4. Evaluate

The final part of a successful campaign is to measure the results. Only by measuring will you be able to decide that your campaign was a success. To do so you will need to establish the source of the enquiry. The objective of discovering the enquiry source is to be able to attribute enquiries to your campaign correctly and therefore verify which channel is the most effective.

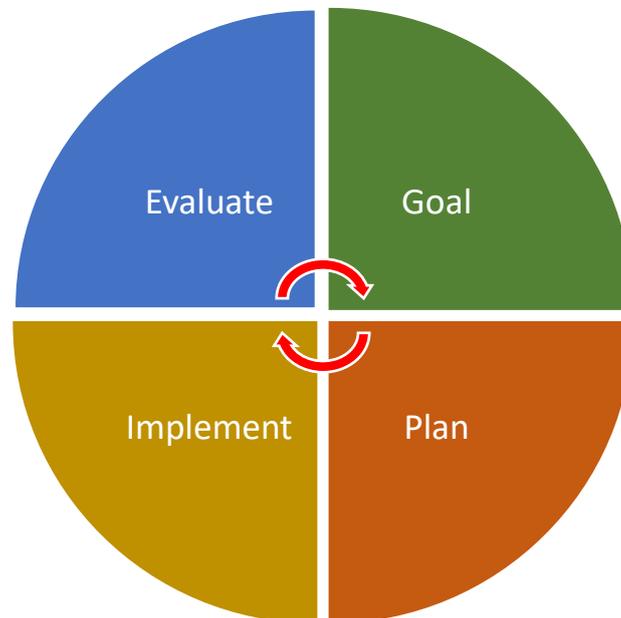
The tools you use to discover enquiry sources vary. If you have your in-house team telemarketing, the source of the enquiry will be clear.

For email broadcasts, you can use landing pages, or trackable one-time links to identify the enquiry source. If you use Direct Mail, offer codes, or bespoke telephone numbers can help. None of these approaches should be considered absolute. For example, you may send someone an email and they may enquire by telephone. So, in addition to any tracking you do, it is always wise to ask the enquirer directly when possible. Even if you are using your customer list, you may want to understand what motivated them to contact you now, it might have been your Direct Marketing.

The output of the evaluation is informative in its own right, but is most valuable when the knowledge feeds into your next campaign. If you are able to find out from people what they like and dislike about your message, you can evolve it in the future.

It is even possible to perform A/B tests of copy and images to see which one creates higher levels of engagement (but details of this are beyond the scope of this document).

If you approach your Direct Marketing correctly, you should have everything you need to refine your approach and a methodology that can be rolled out again.



### About Corpdata

Corpdata is a UK B2B data provider. Based in Teignmouth, South Devon, our data is researched using a combination of techniques.

The Corpdata Business Premium datafile is telephone researched by our UK based call centre. Corpdata business data is widely acknowledged to be of the highest quality available.

Founded in 1992, Corpdata has been supplying businesses with the Direct Marketing data they need for well over a quarter of a century. Corpdata has established an enviable reputation as a data supplier that is worthy of trust.

In 2016, when GDPR was being introduced, Corpdata embraced the requirements of UK data protection law fully and early, completely overhauling the entire operations of the company before new laws were introduced in 2018. Corpdata is committed to Data Protection and using personal data transparently and ethically.

Corpdata is widely recognised as leading the way with regard to UK B2B Direct Marketing data and compliance.