

Leave Me Alone

by Nachum "Homi" Shamir*

You're just sitting down to dinner. The stress of your workday is just beginning to melt away. You're with the ones you love. The phone rings. You freeze, groaning. Is it glad tidings from a long-lost relative? Your broker calling to tell you the internet company you rode all the way down to 15 cents has rocketed up to \$150 a share? No. It's a telemarketer wanting to sell you shares in a silver mine you can use to side your house. You put down the phone muttering, "LEAVE ME ALONE!"

After dinner, accompanied by a glass of favorite wine, you sit down at your PC. You log onto e-mail to read the latest news from your friends and loved ones around the world. You notice your inbox has 137 new messages. "Wow," you think, "am I popular!" No you're not. You're just another mark, out there in cyber space, and you spend the next 10 minutes cursing and deleting as you snarl, "LEAVE ME ALONE!"

As Do Not Call lists bloom nationwide and our elected officials work to legislate noxious commercial e-mail (or spam in common parlance) out of existence, what is left for companies looking to acquire new customers or introduce new products and services? Why direct mail, of course! The challenge lies in how to make that mail as effective as possible. The dinosaur of direct mail, addressed to "Resident" or "Occupant," is all but extinct. Replacing it are several levels of direct mail, ranging from minimal personalization (name and address with a personalized salutation) to extensive customization based on known purchase habits, brand preferences and consumers' own input to call centers and web sites. As businesses develop more sophisticated databases, direct mail will become far more targeted. We'll all receive offers we are much more likely to be interested in--and response rates will become much better than the 1-2 percent (or much less) that direct marketers hope to achieve today.

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But I believe another approach offers a much more compelling way to reach prospective customers.

The first challenge: Opening the mail

The first challenge of direct mail is to get an individual's attention--get them to open the mailpiece. But what if highly targeted offers are part of mail everyone opens every month? Transactional bills, arriving as reliably as daybreak, continue to be the primary customer contact point for thousands of companies, from small businesses to giant corporations. Whether it's a utility company, retailer, bank or financial services firm, credit card company or any number of other organizations, you open everything they send and give it a few moments of your attention. If you've been paying attention, you've noticed that many of those bills and statements already carry some kind of marketing message, although many remain fairly generic.

But wait. Suppose these documents, coming from companies with which you have established, trusted relationships, were driven by highly refined, filtered, conditional databases, and delivered secure, private offers. Suppose you could select the kinds of offers you received, based on your interests, preferences and purchase habits? Instead of being one *of* a million offers, the messages with your monthly statements could reach you as one *in* a million. What if they were based on your habits and needs? For example, a cell phone company tracking your calling patterns to offer a calling plan that saves you money. A bank statement with offers from its commercial customers that correlate to your shopping habits. A retailer that offers a promotion on shock absorbers just after you buy tires. A discount on your next car rental, because you charged one rental. Or your financial services firm noticing that because you have 500 shares in the BlueSky mutual fund your investment preferences might make the WishonaStar Fund a good addition to your portfolio.

This is the future of direct mail: Tailored to your needs, interests, and lifestyle, to your predilections and peccadilloes. Moderately personalized direct mail will still be with us, and remain a good choice for some types of offers, but as smart marketers recognize the potential for reaching customers who prefer being reached with targeted, private messages, bills, statements, trade confirms and other transactional documents will become the vehicle of choice for many marketing offers and promotions.

We are going to see this happening over the next few years. The database and printing technologies exist and the processes are already in place at some firms to make this happen. The shift will require marketing and IT people to share documents and information, but the end result will be more effective direct mail with transactional documents as the vehicle. And although you still may not like receiving your monthly bills, while opening them you probably won't be muttering "LEAVE ME ALONE."