



By Nancy Lazkani

Direct Response Builds Brands

From the beginning, direct response technologies have proven effective in generating sales. So many well-respected brands are integrating direct response with their existing brand efforts — Sears, Home Depot, Pfizer, Dell and Procter & Gamble are some of the prime examples in this area. More than that, direct response builds retail brands as well. Look around you today and you can't miss examples of household names built exclusively by direct response — OxiClean, Proactiv Solution, Aero Bed, Space Bags, Oreck, Magic Bullet and the Juice Man, just to name a few.

Direct response brings accountability to the table, with results that can be tied directly to expenditures. We call the integration of direct response and traditional brand advertising, "direct-to-brand marketing," because direct response adds action and immediate results to the brand. Direct-to-brand campaigns are given a measurable objective. The measurable success is derived from reviewing the level of consumer response and will ultimately drive consumers to a retail outlet over time.

Direct response, in its many formats, is a unique marketing approach designed to take the fullest advantage of direct-to-consumer relationships for the benefit of your brand and your bottom line. Direct response is an evolution in traditional brand marketing, merely by adding one significant factor — a call-to-action. That is, a motivation for the consumer to "act now." The model results in a quicker return-on-investment (ROI) model that is a self-funding or partially funding advertising approach. The good news is that whether you're starting out with a new product, or have an already well-established brand, direct-to-brand is an innovative way to establish or improve your market position.

How to Measure Success

How is success measured? With direct response television, the metrics are pure and simple. We take into

account every ad dollar spent on television and measure a gross sales return on that investment. Direct response commercial messaging is the purest indication of whether consumers were sold on the idea or value proposition. Direct response marketers utilize ROI measurements as a way to gauge success — and understand the relationship with the consumer and the demand for a specific product — by way of accountable media buying and immediate sales results.

About 30 percent of consumers purchase DRTV products, and their direct purchases are very representative of retail sales trends. Simply, there is no better way to understand if your creative messaging has hit a consumer demand. Today, thanks to the influx of traditional branders utilizing DR in non-traditional ways (*i.e.*, to build retail opportunity), successful ROI measurements range from a .30 to a 2.0 media efficiency ratio (MER). The ratio represents gross direct sales for every ad dollar spent brought in by the commercial. These sales are inclusive of TV and the Web.

The Odds of Success

Only one of every 30 DRTV ads actually earns an MER that qualifies as successful ROI, depending on the business model. Campaigns that do not have retail presence will need a higher ratio to fund the media expense. If a product has retail presence (or a continuity business where products are not sold in retail), the MER expectations are lower on the front end, as the retail and continuous shipment of products become an additional revenue stream.

DRTV will also be crucial to driving retail when ACV levels are at optimum levels of 70 percent or above. Any product that has innovation and is demonstrable has the potential to drive a high level of retail sales through direct response advertising. DRTV can drive a significant national media campaign at a fraction of the out-of-pocket cost of a retail television advertising campaign.

Lastly, make sure you work with companies that have experience, that can give you references and have a proven track record for building both a combination of DRTV successes and maintaining successful branded products entering the DR space. ■

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