

Marketing Insights

By AK Insights Ltd.

The Best Of Both Worlds

Welcome to our second issue!

Our feature article is an excerpt from an article published in "Response" magazine, one of the leading Direct Response publications in the USA.

It presents an interesting review of how some hugely successful, internationally known brands are today incorporating direct marketing into their marketing arsenal and achieving even greater successes. While some of the examples and applications are specific to the US market, the insights and implications are relevant to us all. Throughout the article you'll see mention of 'DR' & 'DRTV', which refer to Direct Response (a.k.a. Direct Marketing) and Direct Response Television (a.k.a. Infomercials) respectively.

Enjoy!

Billion-dollar brands switch gears and transform image and campaigns into DR hybrids.

By: Nicole Urso, Response Magazine, August 2005

Most start-up companies use direct response marketing as a gateway into mainstream marketing with hopes of eventually transforming their widgets, gadgets and gizmos into an almighty brand name product available at Wal-Marts and Costcos in shopping centers across the country. But something peculiar happened in the cozy domain of instant abs and limited-time offers. Brand marketers steering the reputations of multi-billion dollar corporate clients switched gears by taking their already-established brands and marketing them with direct response.

But what purpose does direct response serve a *Coca-Colaesque* brand name product or corporation? How could McDonald's or Starbucks benefit from using the same type of marketing methods used to sell workout tapes and acne cream? As it turns out, DR has much more functionality than even some of the most seasoned DR vets give it credit.

Brand marketers initially nibbled at DR by tagging their familiar brand campaigns with 800 numbers or Web addresses at the bottom of the TV screen or print advertisement. However, with interactivity at the helm of all modern communication, they quickly realized that DR adds the personalization and immediacy that mere branding cannot deliver. Now, it is rare to find a branding campaign that doesn't include at least some form of DR.

"More and more brand marketers realize that DRTV is a valuable tool they need to add to their marketing arsenal," says Darrell Williams, vice president and executive creative director of Portland, Ore.-based Euro RSCG 4D DRTV. "DRTV can augment existing brand campaigns, and in some cases can replace traditional television advertising as a launch vehicle."

Out With the Old

Ask Madonna. In order for familiar names to stay current and marketable, advertisers must re-invent and re-introduce on a continual basis, especially when those brands are knit so tightly within a period of pop culture. Guess Jeans Inc. needed to ditch its upside-down-triangle-question mark label in order to shed its 1980s image. Keds, a shoe company that saw its prime end in the early 1990s, is in the process of dusting off its outdated reputation by featuring Fox's "The O.C." starlet Mischa Barton, [continued on page 2]

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Data, Knowledge,
Insights!

In This Issue:

| | |
|--|-----|
| Welcome | 1 |
| Feature Article Billion-Dollar Brands Switch Gears & Transform Image And Campaigns Into DR Hybrids | 1-3 |
| AK Insight Services | 3 |
| Contact Us | 3 |



Is Your Business Equipped To
Outsmart The Competition?



**"If you have
foresight, you
are blessed, but
if you have
insight, you are
a thousand
times blessed."**

- Old Chinese Proverb

Billion-dollar brands switch gears.... *Continued from Page 1*

wearing the ultra trendy skimmers and ballet flats. Though celebrity endorsements may be a shoe-in for some products, elements of direct response are added for extra kick.

For example, the hey-day of Oakley sunglasses went out with bleached hair and corduroy shorts circa 1997, but through a hybrid branding/DR campaign, Oakley hopes to reinvigorate its cool factor by introducing Digital Music Eyewear. Its print ad reads: "to find an authorized dealer near you call us at 1-800-501-5880 or log on to oakley.com/thump/" The "digital eyewear" is a pair of sunglasses (with flip-up lenses) with an entire music system built within the frames – no wires or cords. The music comes from a 75Mhz Digital Signal Processor. Elements of DR tied in with strong brand marketing to introduce the modernized product and allow consumers to learn more about it.



Harley-Davidson, typically associated with sun-drenched Sunday afternoon cruises along the coast, is trying to introduce consumers to its speed-demon side using a branding/DR hybrid ad. "An engine so quick it'll roast the hair off your knuckles.

Aluminum bodywork. Liquid cooling that's sculpted in, instead of bolted on. Feels right at home on the drag strip, yet oh-so-refined for the street. Straddle the V-Rod. Twist the throttle of the high-revving Revolution V-Twin and watch the needle slap 9,000-rpm redline. There goes the neighborhood. Call 1-800-588-2743 for a dealer or visit www.harley-davidson.com/. It's time to ride."

Educating consumers about new products from familiar brand names is an everyday task for Williams at EuroRSCG where he oversees campaigns for a slew of household names, such as Clorox, Bissell, Panasonic, MSNTV, Phillips, AT&T Wireless and several others.

"Bissell is a classic example of a brand marketer using DRTV as a hybrid advertising model," Williams says. "Our relationship stretches back to the mid-90s, when Bissell was turning to DRTV as a direct-to-consumer play. That perspective quickly changed as they saw the value of DRTV as a more versatile marketing tool. Currently, Bissell uses DRTV spots to help launch products that require explanation. While direct sales aren't discouraged, the real value is drive to retail. DRTV seeds the market so that retailers, who are very attuned to the success of this formula, will recognize that consumers will soon be demanding the DRTV product in their stores."

Educating the Consumer

Some DR educational efforts are only for driving retail demand. Lipton wanted to showcase its healthy side. So it introduced a television and print campaign with a DR twist. The print ad reads: "Lipton Teas taste great. But they're also rich in naturally protective antioxidants. So every time you sip, you help your body feel young and healthy. Just look for the AOX logo on selected Lipton products. It guarantees a beverage rich in naturally protective antioxidants. AOX. It's something your body will L-O-V-E. Learn more at Lipton.com/."

Williams worked on a similar type of new image/ new product campaign for Tropicana using a traditional long-form DRTV ad. "Often [marketers] are frustrated by the inherent inability of measuring the effectiveness of traditional brand advertising and are searching for more accountability," he explains. "The lower cost of DRTV media plays an important factor as well. Some marketers realize they have products that require more explanation than 30 seconds will allow, and are pleased to learn that DRTV can actually enhance and build upon their brand."



Major brands — including Coca-Cola, Keds, Oakley and Harley-Davidson — have turned to DR-style tactics in recent campaigns.

He adds, "Tropicana needed to educate consumers as to the health benefits of orange juice, and the taste superiority of not-from-concentrate orange juice. Euro created a half-hour 'docmercial'— 'Breakfast Americana' — that traced the developments that brought orange juice to the American breakfast table, Tropicana playing a major role. The consumer response mechanism was downloadable coupons and a health tips booklet."

Interactive Branding

Other brands have a tougher challenge. They need to keep a fresh image and remain at the forefront of everything young, exciting, masculine, sexy, distinguished, posh or whatever their image dictates, without introducing any changes to their product. This is the objective of Coke and other soft drinks, beers and many traditional candy brands like Hershey's chocolate bars. In these cases, DR enables the brand marketers to entertain and entice their target demographics with interactive marketing and cross promotions such as contests or sweepstakes, Web games, downloadable ringtones or downloadable tracks from popular music artists.



Euro RSCG 4D DRTV's long-form DR campaign for Tropicana was a ground-breaking as an educational and sales tool for the major juice company.

Coca-Cola intertwines its brand and interactive marketing with contests and cross promotions through music, sports and entertainment. Web users can log onto cokemusic.com/ and mix music, play games, design T-shirts and download songs. Or, they can visit the sports section and watch video footage from the Coca-Cola Racing Family 600 or click through to the NASCAR store online to purchase Coca-Cola Racing merchandise. There's also a page to send Coke E-cards to friends, download Coke screensavers and watch past and present Coke commercials.

Coors Brewing Co. is another example. On Coors Light bottle-necks, the label reads: "Taste The Cold. Get The Music. Text code 763AJ to 2cold for never released tracks or enter code at www.coorslight.com/." Consumers can win free music and ringtone downloads, buy Coors Light/NFL merchandise, including football-shaped pitchers, tap knobs and can koozies. They can view NFL team schedules, [\[continued on page 3\]](#)

Billion-dollar brands switch gears.... *Continued from Page 2*

download Coors Light/NFL screensavers and wallpaper for their PCs. They can enter the Coors Light sweepstakes to win the new 2006 limited edition Dodge Charger Daytona R/T. They can also watch the Coors Light TV ads and even download the famous Coors Light twins from the ads as a screensaver.

Off the Shelf

There are exceptions, but most brand marketers using traditional DR and other forms of interactive marketing and cross promotions are pushing for retail sales. No one is going to order a pack of Coors Light or Lipton green tea by phone – at least not yet – but using DR drives retail sales and revitalizes brand imagery.



The Internet's interactive capabilities have driven branders (such as Coke and Coors Light, seen below) to rethink the effectiveness of DR advertising.

Concepts TV Productions in Boonton, N.J. cites several examples of brand marketers who used DR with the intention of driving retail. The company produced and managed campaigns for E-Diets, Scunci, George Foreman Grill, Holmes, Conair, Homedics and Salton.

"Salton, Conair, Homedics and Holmes were already in retail and used DR to drive sales at retail and create brand image advertising at the same time," says Collette Liantonio, president of Concepts TV Productions. "All of them learned that DRTV not only functions as a profit center in and of itself, but as long as it breaks even, it drives retail at a rate of 7-to-1, at least. Meaning, for every dollar spent in advertising, there will be \$7 generated in sales."

Even if a product does not sell well directly, a DR campaign impacts consumers who will see the brand at retail.

"No matter how attractive the TV offer, the vast majority of people still won't buy from TV, but they will get an appetite for the product," says Liantonio. "It is vitally important that each commercial prominently feature the packaging that will appear at retail for sell through."



Homedics chose short-form DR for its BackPleaser product and found retail success.

Though long-form shows are typically a safer way to advertise high-ticket items that need explanation, spots can be surprisingly powerful. Homedics promised a co-op ad budget to its retailers for promoting the Homedics BackPleaser, a programmable heated back massager. Since the product was a high-ticket item, priced at \$100, Liantonio recommended that it focus on long-form ads.

"They overruled me and with no expectations other than to fulfill a promise to retailers," she says. "We produced a two-minute spot and a one-minute spot for a product for four easy payments of \$25, plus one extra payment for heat. For two weeks, it didn't pay out. After 4 weeks it was a stand-alone profit center coming in at a \$35 cost per order. It built the brand awareness by virtue of the fact that we could run it constantly at a profit."

When elements of DR began popping up in mainstream branding advertisements, it usually consisted of a Web site or an 800 number tagged at the bottom of the screen or print advertisement, but judging by its presence in the current campaigns of some of the world's top brands, its is finally evident that the division between mainstream advertising and direct response is quickly vanishing. ❖

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