



Welcome to the Merrell Remington Academy.

We are excited to have you join us as we take the things we've learned in direct marketing over the past 20+ years and package them into the *50 Indispensable Principles of Direct Marketing and Advertising*.

Our goal with this online course is to teach you the principles of Direct Marketing and Advertising so you can apply them to what you are working on right now, today. We will explain each principle in detail and then give you examples and a detailed case study or two.

Some of the lessons are very deep and comprehensive, where we cover a bit of ground before some of the principles make sense and can be effectively taught. When that is the case, keep reading; it's worth it. In other lessons, we cover ground really fast, and simply provide the basics. Either way, you'll get the information needed to make yourself an indispensable marketer.

This course is unlike a typical course where we can control each lesson and the progress of each student. This course is delivered online and to a class that is scattered geographically, with students as diverse in their individual marketing experience as they are in the marketing and advertising challenges they face each day. Students also enroll at various times throughout the year. Therefore, we do not try to keep each lesson contingent upon the previous lesson. The collection of lessons, once finished, will make an incredible and comprehensive book. Keep it. The book will truly be an indispensable tool.

Thank you for enrolling. Together, we can raise the standards of Direct Marketing and Advertising.

A handwritten signature in blue ink, reading "A. Kent Merrell". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

A. Kent Merrell

Dean, Merrell Remington Academy

Strategy Development > Interdynamic Marketing Strategy

# Develop a Strong and Accurate Direct Marketing and Advertising Plan

*A direct marketing and advertising plan is an essential “road map” and “operator’s manual” for your advertising and marketing efforts.*

## Teacher’s Footnote:

There is a bunch of work and many essential steps that go into a Direct Marketing and Advertising Plan before you ever get to the strategy development and tactical implementation. This lesson covers each of these steps.

Ideally, many people are dedicated to all this research and planning, but we’ve found that most companies that have great direct marketing plans have them because someone like you realized they needed a great foundation for success and made it happen.



**50 Indispensable Direct Marketing & Advertising Principles**

Presented by Merrell Remington Academy

## The 8 Fundamentals of Developing a Direct Marketing and Advertising Plan –

The most successful campaigns begin when we start with the fundamentals of a marketing plan. Without covering the fundamentals, it is likely you are going to end up somewhere you don’t want to be. Some people call that failure.

We have broken the planning process down into eight very important steps.

- 1) Identify the **FUNCTION** and **SCOPE** of your business.
- 2) From there, you establish a **SITUATION ANALYSIS**.
- 3) The situation analysis helps you identify **MARKETING AND ADVERTISING PROBLEMS**, which we all hope become **OPPORTUNITIES**.
- 4) Identify current and potential **FUTURE MARKET CONDITIONS**.
- 5) Establish your **MARKETING OBJECTIVES**.
- 6) Create the **MARKETING AND ADVERTISING STRATEGIES** needed to reach those objectives.
- 7) Get creative and **DEVELOP THE TACTICS** you will employ to carry out the strategies.
- 8) And last, but certainly not least, (because this is one of the areas that sets a direct marketing plan apart from an ordinary marketing plan) you **ESTABLISH THE SYSTEM TO MEASURE AND ANALYZE THE RESULTS** of the entire marketing effort.

Typically, the favorite part of marketing is the creative part – the strategy and tactics. We used to be so naïve as to think that the only thing that really mattered was the message we delivered and how that message was perceived by the receiver, or in other words, “What the message actually did inside the recipient’s head.”

Now, decades later, we’re convinced that this is right. *What goes on inside your customer’s head is the only thing that matters.* What we have also learned over these many years is that there are tons of gigantic piles of information that

must be considered as we go about crafting and delivering that message so the message will have the effect you want.

Even though the creative, tactical part of direct marketing and advertising is the most fun, the real success or failure begins with the marketing plan. The plan does not have to be big and fancy, but for the plan to be any good at all, it must be easy to understand, precise and detailed, semi-realistic to implement and achieve, and adaptable to change.

Now let's take a look at the eight steps of building the plan. The example of Miracle Ear that accompanies each section has been edited a bit, but it shows how a direct marketing and advertising plan takes shape.

## 1) Don't overlook the obvious – Identify the Function and Scope of the business.

This may appear to be a no-brainer, but Function and Scope are often overlooked when planning. Still, it is paramount that we answer these questions first. *What business are you in? What do you want to do? Where are you going? How are you going to get there? Whose needs are you serving? What needs are you satisfying? What does your prospect really want from you?* After you review the answers, it should be clear what differentiates your company from your competitors. After all, who doesn't know what business they're in? (You'd be surprised.)

Attached to this lesson we have included the “[20 Questions: Situation Analysis Planning Sheet](#)” that will help you work through many of these questions. We use it to get to know our clients better and to get a handle on where the marketing is really headed. Sometimes, we have our clients fill it out before we spend time together in our initial meetings. It has been an eye-opener for many clients.

### ***The Function and Scope of Miracle Ear:***

*Miracle Ear is one of the nation's leading hearing aid companies. They sell Miracle Ear brand hearing aids. Their hearing aids assist those who can't hear very well to enjoy a fuller life.*

## 2) The Situation Analysis is an honest look in the mirror.

The Situation Analysis should describe where you are in relation to your past, your relation to your competition, where you are in the market place and your relation to your target market.

By analyzing your situation, you identify your core profitability areas. This process helps you find the areas upon which you should focus. Knowing your internal strengths and weaknesses will allow you to favorably position yourself in the marketplace and capitalize on emerging market segments, unsatisfied customer needs and competitive voids.

We like to think that the Situation Analysis is like going to the shopping mall, then heading to the mall directory and finding the “You are here” arrow. Once you have done that, you can look around and see where you need to go and what things are between you and where you want to be.

The Analysis should point out strengths or weaknesses in areas such as your product or service, fulfillment, company name, product quality, distribution, ability to process orders, potential channel conflict, data management processes, etc.

***The Situation Analysis of Miracle Ear:***

*Miracle Ear had a strong distribution network and decent brand awareness. Miracle Ear hearing aids are only sold through a national network of Miracle Ear Centers. In every market, Miracle Ear has tough competition from audiologists working in independent clinics and offices. Few of these audiologists did much advertising outside the yellow pages, but most of them offered up to seven or eight competitive brands of hearing aids, none of which were Miracle Ear hearing aids. When a potential customer would look for hearing aids, they would have dozens of choices. Most of the companies that produced hearing aids could make similar claims for quality and features of their products, yet there had been no major hearing aid company to establish a dominant position.*

*Miracle Ear said the resistance from potential customers to wearing hearing aids was waning due to the smallness of the size of hearing aids and the fact that more people were wearing them. Therefore they felt the potential for market growth was there.*

### **3) During the analysis, you will find the Marketing/Advertising Problem-Opportunity**

Up to this point, we have been gathering and considering facts. This can take hours, days and even months. But let it suffice for now to know that we have lots of information, and we are probably overwhelmed with it all.

Here comes the challenge – now we have to think. Good, original thinking that will help us focus on the single most important advertising or marketing problem or challenge that the company faces. This is where pure genius comes in.

Take all the piles of data, shuffle out the meanings and relevant importance of each, and try to clothe them in understanding. Out of all this will rise an advertising or marketing problem, which is oft-times dressed up as an opportunity.

Let us define a “problem.” It may simply be that too few customers are aware of your product or how to get it. It may be the product itself or its packaging or pricing. It may be poor distribution or lousy point-of-sale support. It may be the dissatisfaction of the dealer channel. It could be your customer service. It could be the relationship the company has with the trade. It could be these or any number of things.

Some of these problems may not be fixable through advertising or marketing, but we must disclose them so we can look at potential solvability. Then again, many of these problems are prime for solution and that is the time when we can convert them into opportunities.

Maybe some of your customers hold onto an old, out-dated image of your product and have no idea of its new merits, and how it now can better serve their needs. Perhaps you have spent your time communicating about attributes of the product, which are really of little or no concern to your customers. Maybe, perhaps, and maybe again – this is where you have to be Sherlock Holmes. The better sleuth you are, the better you will be able to establish the objectives, unearth opportunities, and implement brilliant strategy.

***Problem/Opportunity for Miracle Ear:***

*Miracle Ear felt the main challenge they faced was the confusion created when a potential customer called a non-Miracle Ear hearing aid clinic. Whatever message that had been established by Miracle Ear was clearly manipulated by the competing audiologist. Therefore, if a potential customer began shopping around, the sales process became very difficult.*

*However, when they told us that resistance to wearing hearing aids was waning, it triggered some primary research, which revealed the true magnitude of the challenge. We found that many potential customers felt that wearing a hearing aid was an admission of having a “handicap” and/or hearing aids were only for “old people.”*

*We also identified that even though the actual wearer made the final decision, it was the spouse, children and other close loved ones that initiated the visit and encouraged the purchase.*

*So yes, the competition was a challenge, because the only way to get a Miracle Ear hearing aid was at a Miracle Ear Center. But an equal or larger problem was to overcome resistance from potential customers.*

#### **4) Past, present and future – Identify Current and Potential Market Conditions.**

Because the future is unknown, planning for change is where you need to guess a little. We all know that things will change. General economic and social conditions change, the GNP changes, demographic trends change, and even inflation changes. Not to mention purchasing patterns, technology, public opinion, etc. Keep in mind, that in most cases, you have no control over any of these things. You simply need to keep all these things in mind as you plan. This is where the bright people will shine. When you make the right assumptions, you win.

Outguessing technology is one of the most challenging assumptions. With some products, it is foolish to plan too far into the future, but any plan must take into consideration the potential life cycle of a product or even just the marketing of that product. Look what desktop publishing did to typesetting, what e-mail has done to faxes and first class mail. Look what the World Wide Web has done to everything.

One caution here as we plan for the future. Though the market is changing daily, don't abandon tried-and-true programs without great consideration. As the Internet became the rage these past few years, many companies abandoned traditional marketing efforts to jump on board, only to lose big and go back to their roots, bruised and broken.

What about social conditions? Look what the environmental movement has done to automobiles and what the nutritional movement has done for fitness centers. (Thank goodness you can still get a good burger and fries from time to time.) The change from Kentucky Fried Chicken to KFC was certainly a move away from the image of greasy fried chicken. These are a few of the things that we need to take into consideration as we plan for the future.

***Current and Potential Market Conditions for Miracle Ear:***

*The economy was strong and the client indicated that they felt the need for hearing aids was continuing to grow.*

*Since the physical size of hearing aids was continuing to shrink, their acceptance among consumers was also growing. We agreed and felt that we didn't need to be overly worried about market conditions.*

## 5) Defining Marketing Objectives is asking the question, "What do you truly want to be when you grow up?"

Marketing Objectives are simply what you want to accomplish. *What is your goal?* This is where we figure out what we are going to dedicate our talents, resources, reputations, time and energy to accomplish. Objectives are the "what we want," not the "how to get what we want."

There comes a time when these wants have to be tempered by the actual realities of your strengths and weaknesses, time limitations, financial restrictions, management limitations, etc., but you have to make it clear *what you really want*.

After you take the dream and blend it with reality, you can establish your objectives and prioritize them in such a way as to concentrate on the ones that you can best accomplish with excellence.

To effectively establish objectives, you must focus on results – measurable results. (Remember, when you say you want more sales, the word "more" just states which direction you are going. It doesn't say how far or how fast or how much, etc.) If you are not the top dog in your organization, you must see that your objectives work within larger, higher corporate, divisional or other departmental objectives.

Developing proper Marketing Objectives is vital, because if you are off the mark, then the brilliant strategic planning and execution that follows will only get you to the wrong place more efficiently.

### ***The Marketing Objectives for Miracle Ear:***

*The objectives of the campaign were simple. They wanted to generate traffic to the Miracle Ear Centers. They asked for as much traffic as possible. In working with their budget, we helped them identify actual numbers of people to visit each center and established specific goals for how many calls, appointments, hearing tests and paying customers to expect per center.*

(In future lessons on DM budgeting and math, we will cover specifics on how the financial planning process works with objectives and strategies.)

## 6) & 7) Now comes the "doing" part of the plan – Marketing Strategies and Tactics.

Marketing Strategies and Tactics are a tag team, but are certainly not the same thing. While strategies pertain to the theoretical, tactics pertain to the operations. Strategies make a general statement of what you want to do to meet your objectives; tactics spell out specifically how you plan to do it.

How do strategies relate to objectives? Strategies are the options you have selected to achieve your stated objectives.

Many strategies may be required to achieve an objective, and the number of tactics that make up a particular strategy may vary from company to company, and from situation to situation. Once you develop the strategies that will help you achieve your

chosen objective, you need to break those strategies down into the tactics needed to complete your plan of attack. A strategy's success depends on the strength of its tactics.

As you formulate your strategies, keep your competition in mind. *What are they going to do in the next few years?* Think about what they might do when you implement your strategy. It may make no difference whatsoever, but then again it may. Keep your weaknesses and strengths in mind when you are considering your competition and where you are vulnerable and where they are vulnerable.

Keep in mind that if your strategy requires significant changes in the day-to-day support or operations of your business, you must communicate with all the people involved. You will need their support to realize a successful implementation of your strategy.

With the strategy, you decide what you plan to do to meet your objectives. You determine the course of action that will cause the desired reaction. The tactics are the implementation of that action.

Let's go back to the example of finding where you are in the mall by looking at the large mall map. You find where you are (Situation Analysis), you identify where you want to be (Objectives) and you plot your course to get where you want to be (Strategy). Now, unless you are on the *Starship Enterprise* and can beam yourself to your desired destination, you start walking or running or sauntering. Whether you walk, run or saunter is the tactical implementation of the strategy to get to the destination via the prescribed course.

**The Marketing Strategies of Miracle Ear:**

*With all the knowledge gathered, we learned that most hearing aid users obtained the hearing aids at the insistence of loved ones. Therefore, we developed a strategy to communicate with the potential customers' loved ones. By talking to them, we could establish the need for an appointment, and thus a sale. We determined to craft a dual message addressing the benefits to both the family and to the wearer of a hearing aid. Since we didn't want buyers to have a chance to visit with competitors, we had to include all the information to create an actual appointment with the closest center so as not to allow our prospect to shop around. Since potential customers were not thrilled to have their hearing tested anyway, we determined that if we gave them a good offer, they would not want to visit a variety of centers.*

**The Tactics for Miracle Ear:**

*It was determined to create a dual-sided envelope package with a creative message on one side to the person needing a*



*hearing aid and a different creative message on the other side talking to the needs of the wearer's family. The offer and response mechanism inside drove the customer directly to the closest Miracle Ear Hearing Aid center. A free hearing screening was given to respondents, as well as a discount off the regular purchase price.*

## **8) Establish a system to Measure and Analyze the results of the entire marketing effort.**

In any traditional marketing effort, success is allegedly judged by sales. Not direct sales, mind you, just “did we have sales?” Any number of forces can affect sales. Attributing sales back to specific marketing efforts is a science, and it needs to be planned from the beginning. Surprisingly, some marketers don’t want to know. They may be afraid to be held accountable. We find that accountability to be a real rush.

There are many, very simple ways to track your marketing. Among these simple ways of tracking response are:

- 1) using individual 800 numbers for each ad or adding an extension to the number for call-in responses,
- 2) having those on the phone ask for a tracking code which has been printed on any direct mail or print items,
- 3) printing codes on all reply cards, etc.

These simple tracking tactics should be second nature for direct marketers. And obviously, it is vital to plan for these before your materials go to print.

More strategic measurement planning would include the front-end capture of the source for your response as described above. In addition, it may include the back-end system where you could actually look at each response and compare it to the audience you are targeting with the reach and frequency, as well as the conversion rates, and all the costs associated with acquiring any new customers. The system could then track the activity of the converted customers and their activity with you. You would then not only know the acquisition costs, but you would know the lifetime value of a customer and how that value relates to the original marketing costs. (In future lessons, we will teach you how to develop detailed tracking systems.)

In the case where there is not a tangible response mechanism, you can develop a set of customer activity standards. You could then compare activity before and after your marketing efforts. This may require some very detailed historical data, but this analysis becomes fun as you overlay marketing efforts over historical customer activity charts.

There are countless ways to determine the success of your campaigns. With a little planning ahead, you can learn a great deal from post-analysis.

### ***Measurement of the Miracle Ear campaign***

*Each mailing piece would be coded with a specific code that was unique to each recipient. In order to get the free hearing screening or take advantage of the discount, the code was required. This way the code would be captured. We could then take the code and match it with the mailing list. This information would tell us which targeted audiences responded best. We would also capture information on the phone from these people to determine whether it was the wearer or a family member that was making the appointment.*

The following example is one of my favorites, taken from a photocopy of a case study out of an old advertising syllabus. I would like to give someone credit for it; in fact, I would like to find a copy of the original syllabus if I could.

## Case History: The Grumman American Aviation Corporation

### ***The situation:***

*The Grumman American Aviation Corporation builds very efficient two- and four-seater private airplanes. The basic model was engineered and designed for flying speed and fuel efficiency. The plane was not intended to be a luxury aircraft. On the contrary, it was built for the less wealthy segment of the market who loved to fly, who wished for all the status, but who couldn't afford a Beech Bonanza.*

*The Grumman was described in one aviation publication as the "Honda of the air." Its major competition was other builders of single engine, fixed-gear aircraft, namely Piper, Cessna, and Beech.*

*Although famous for World War II aircraft construction, the Grumman name was a newcomer in the smaller private-plane market, entering the field, as the company had, by buying into the American Aviation Corporation of Cleveland. So the new Grumman product not only lacked awareness, it lacked image or personality. It was a great little aircraft but it would just have to wait around until somebody noticed it. After all, Cessna, Piper, and Beech had been making light aircraft for decades. Pilots knew those planes. Who had ever heard of a Grumman small plane? And why should a potential customer buy one?*

### ***The sweet smell of opportunity***

*As Tom Murray of Murray-Chaney Advertising pointed out in a magazine article, focusing on Grumman's problem required an open-minded view of the whole marketing environment in America. Grumman's fuel-stingy private airplane appeared to be the ideal product for an energy-starved world. Yet, Murray noted, after considering the energy-saving appeals used in new car advertising, it became obvious to him that a fresh approach was needed [from car advertising]. "We have simply taken the EPA figures and jammed them into the ads, with headlines about economy never looking so good. The competitors are all making mileage claims, so what's a fellow to do but counter their claims?"*

*Crediting Theodore Lefitt's thesis called "Marketing Myopia," Murray said, "If we stand back far enough to realize that we are moving from a centuries-old miles-per-hour era into a miles-per gallon era, then we have got to move beyond the simple appeal of savings to come up with broader and more varied appeals for saving energy."*

*This kind of thinking is what saved the Murray-Chaney agency people from leaping on the trite "Don't be fuelish" bandwagon. They rejected the "Honda of the air" approach for several reasons. Their main concern was that pilots are often very status-conscious persons and very sensitive about the image they project among other pilots and the non-flying public.*

*Appealing to them on the basis that they were simply saving gas money by buying a Grumman American*

seemed not only flimsy, but downright dangerous, in a market in which “the big 3” (Cessna, Piper, and Beech) were doing very well with no appeal to efficiency whatsoever. There was no indication that anyone was interested in saving on fuel.

Here’s how Murray saw the key advertising problem: *Since our primary target’s first reason for buying an airplane is transportation, with strong overtones of adventure and stature, how can we position the Grumman American as a simple and efficient airplane that is practical, yet address the pilot’s needs for adventure and status?*

With a firm grasp of the problem, the Murray-Chaney agency followed up with these objectives and strategies.

### **Summary of Objectives and Strategies**

**Advertising Objective:** To achieve 90 percent awareness and identification among our primary target prospect of Grumman American light aircraft with its relatively new “mother corporation,” Grumman Corporation. The reputation of Grumman is strongly based on its outstanding lighter aircraft built for the U.S. Navy, particularly during World War II. In the aviation community, Grumman is referred to as “The Iron Works,” reflecting its reputation for building aircraft that could withstand extensive battle damage, yet still bring its pilots home safely.

**Advertising Objective:** To achieve 100 percent awareness among our own dealers, many of whom sell other-make aircraft, of the powerful selling proposition of simplicity and efficiency that the Grumman American airplanes embody.

**Advertising Strategy:** To make our airplanes highly visible and to attract pilots and prospective pilots for close and careful consideration.

**Advertising Strategy:** Our idea must be unusual, interesting, and appealing enough to editors to suggest to them cover photo ideas and feature possibilities. This will extend and multiply our number of exposures in the media beyond the pages that our advertising budget will buy for us.

### **Murray explains:**

After some weeks of searching for a creative concept that would fulfill all of these advertising objectives, we came up with a far-out idea. The noblest of the flying fraternity are the fighter pilots, and more songs and poems and stories attest to their competence and bravery than to perhaps any other segment of the flying community. Why not appeal to the would-be fighter pilot in all of our prospects? And why not play up energy savings as the patriotic American cause that it is? Here are the tactics we came up with.

### **Creative Strategy for Grumman American**

Paint representative models of Grumman American aircraft in World War II fighter colors as a way to attract attention to them and as a platform to dramatize our superior fuel and speed efficiency when compared with similarly priced models of “the big 3” in light aircraft sales: Cessna, Piper, and Beech.

*Four representative models of Grumman American aircraft in World War II fighter paint were painted to serve as the symbols of the new approach. The campaign theme was built around “The Private Fighters,” and Grumman appealed to pilots to “join the fight for America’s fuel, protect America’s freedom to fly fast, and protest the high cost of buying, flying and maintaining airplanes.”*

*One aviation magazine writer put it: “The dramatic, romance-inspiring difference was the painting, thrilling Navy, Army, and Air Force fighter plane camouflage designs and colors, and what that combination did to people – from ex-military flyers to those who were still in diapers during World War II. They went bananas.”*

*This campaign not only worked, it did barrel rolls around the competition. All the airplanes scheduled for production for the entire year were sold at the introductory dealer meetings. Dealers paid premium prices for the models painted in wartime paint for rent out. They reported 100% to 200% more rentals than for the same models painted in standard.*

*The United States Naval Academy bought flying-school airplanes from Grumman American instead of from better known Piper, Cessna, or Beech. And within the year, Grumman American edged out Beech as the number three builder of low-wing, fixed-gear aircraft. An appeal to status, not savings, had done the job.*

Why did this work so well? Simple, though they didn’t follow our outline exactly, they put together all the elements of the marketing and advertising plan in such a way that they could very creatively communicate a compelling message to the right audiences. The message came through clearly and the response naturally followed.

1. Your business name and a brief company history:
2. Your company overview: (This is a brief description of your business and products or services you offer.)
3. What is your brand/product's name?
4. What is your brand's positioning statement?
5. How does your product help support your brand position?
6. Is there a clear, unique selling proposition? (Your USP – This is a unique benefit, characteristic, and/or relevant feature that no one else can claim.)
7. What is your product's primary benefit?
8. What are your product's secondary benefits?
9. What are your product's main features?
10. Who is your target audience/consumer? (Describe the demographics and profile of your consumer)
11. What consumer needs are you fulfilling with this product?
12. What is the consumer's current perception of your brand and product?
13. Who is your primary competition? (Your direct competitors; for example: snowboard A vs. snowboard B.)
14. Who are your secondary (external) competitors? (Is there another industry competing for your market share? For example: snowboard vs. ski or alpine sport)
15. Where are you in relationship to your competition? (Are you a leader, a parody or an anomaly?)
16. What are your competitors' strengths/weaknesses?
17. What are your product's weaknesses?
18. Where does your product fit in the life cycle of the industry?
19. What is your brand's personality? (sophisticated, humorous, serious, mysterious, professional, earthy, etc.)
20. What is your long-term goal with your brand?