MBA 695 D
DIRECT MARKETING
UNC-GREENSBORO

PLACE: Joseph M Bryan School of Business – Room 132

TIME: Mondays, 6:30 – 9:20pm

INSTRUCTOR: Matt Mitchell

OFFICE HOURS: If you need to meet with me feel free to call me to arrange a time to meet. I am best reached via cell @ 336-324-3056.

WITHDRAWL DATE: The last day to drop the course without academic penalty is February 8, 2008.

DESCRIPTION OF THE COURSE:
Direct Marketing is perhaps the fastest growing marketing channel in our increasingly on-demand society. Some traditional staples of direct marketing (print, mail) are still alive and well while others have been severely limited (phone). Factor in newer media like e-mail and internet driven opportunities and the job of direct marketing becomes much more complex and even more critical to a company’s sales performance. Students in this class will explore the more common direct marketing channels that exist and how they work together as a part of a company’s overall direct marketing campaign. They will also learn how to develop a direct marketing plan, how to segment their plan to optimize performance, how to identify key metrics to measure the performance of any given campaign, and how to develop a systematic process of testing to deliver continuous improvement.

COURSE MATERIALS:
Text Book: The Complete Guide to Direct Marketing (Chet Meisner)
Recommended: Target Marketing Magazine, Multi-Channel Merchant, Catalog Success Magazine. (on-line versions available for each of these)

PREREQUISITES: MBA 606. You will also need to be reasonably proficient with Microsoft Excel

ASSIGNMENTS & GRADING:

Grading Scale
A - 93 and above
A- - 90 – 92
B+ - 88 – 89
B - 83 – 87
B- - 80 – 82
C+ - 78 – 79
C - 70 – 77
F - 69 and below
Assignments
Individual DM Analysis 1 (in-class presentation)  20%
Individual DM Analysis 2 (write-up only) 10%
Analysis of Data Set  20%
Group Consulting Project Presentation 35%
Class Participation 15%
TOTAL 100%

Individual Analysis (X2)
You will be required to prepare 2 individual analyses of actual direct marketing pieces that you find in your daily life. Your examples can be drawn from materials received in the mail, direct marketing print advertising, direct marketing broadcast advertising, search engine marketing, e-mail, or a particular website that utilizes direct marketing tactics. Please be sure that you choose a different company and a different direct marketing channel for each analysis. Each analysis should reflect your attempt to “look under the hood” of the company’s overall direct marketing plan. For each analysis please consider who their target audience appears to be. Does the medium chosen seem to be effectively reaching that audience? What tactics is the marketer using to capture the audience’s attention? How is the marketer working to move the audience closer to the desired action? If you were the marketing manager for the example company, what costs would you want to consider as you measure the effectiveness of the effort? What measurement metrics would you want to evaluate to determine the effort’s potential return?

Each of your analyses should be submitted in a clear, concise, and well-formulated 2-4 page write-up. However, one of your presentations will also be presented to the class as an I.V.P. (individual verbal presentation) in which you will share your findings with the class and about which the class will briefly discuss. The total time devoted to each individual presentation will be 10 minutes. Therefore, your I.V.P. must be no more than 5-6 minutes in length to allow for 3 or 4 minutes of class discussion. We will begin each class session (except the first and last) with the I.V.P.’s before moving onto the night’s assigned topics. You may submit your written-only analysis anytime between the 2nd and 6th night however each student will be assigned a specific night on which their IVP is to be presented. The accompanying write-up to the IVP should, of course, also be submitted at the same time. The schedule for IVP’s will be developed on the first night.

Data Set Analysis –
An important part of direct marketing management involves understanding the results of our efforts. What worked and what didn’t? Which segments might warrant another test? Are there any trends or patterns in the data? Since we will be discussing many real-life direct marketing campaigns but won’t have access to their real-life results, for this assignment we’ll do the next best thing. I will provide you with a raw sample data set and ask you to analyze the data (using Excel) to unearth the critical performance metrics needed to evaluate the effort and make appropriate recommendations – including RFM (recency, frequency, and monetary), the backbone of direct marketing analysis. We will be discussing testing, tracking, and performance metrics as a part of each night’s topical discussions so your knowledge of performance measurement should be growing as the course progresses. For this reason, the data set will not be due until the 6th night of class.

Finally, in addition to the metrics you present in your analysis, you should also consider the presentation quality of your results. Great information is important but as an EFFECTIVE direct marketer we need to present great information in a way that is clear, easy to understand, and easy to react to. Please keep this in mind as you develop your spreadsheets. Intelligent formatting, the use of color and font sizes, and logical, consistent information flow will all be a part of your grade for this assignment.
Group Consulting Project Presentation

For this assignment you will be asked to assume the role of a direct marketing “consultant”. You will be divided up into teams and together each team will choose a company currently using a direct marketing strategy to be the “client”. The goal of your consulting project will be to offer a detailed analysis/audit of the client company’s direct marketing efforts as they pertain to the overall direct marketing strategy.

This exercise will, in some ways, be similar to the individual analyses except that instead of looking at a specific channel, the group presentations should include a COMPLETE review of the company’s direct marketing practices across ALL channels.

- Your team should review, analyze, and make recommendations on all direct marketing channels currently utilized including print, direct mail, e-mail, web, search engine, broadcast, or any other channel used.
- Do each channel’s efforts seem to fit with your understanding of the company’s overall direct marketing strategy? How do they all work together?
- Discuss the target audience and how the media selections chosen help (or don’t help) to reach them.
- Analyze their creative and discuss its effectiveness.
- Are there potential channels that are missing? If so, how would you advise the client to add that channel to the mix? (please be specific)
- How might the company modify its efforts to become more effective?
- How would you advise segmenting the target audience to maximize future performance?
- What metrics would you suggest to evaluate the performance of their campaign? Can you think of any metrics not immediately obvious that could reveal some insights?
- How does the company’s campaign compare to its competitors’ campaigns? Do they seem to be at a particular advantage or disadvantage?
- Are there marketing relationships with other brands? If so do those relationships seem to fit with the overall strategy? If there are none, can you suggest some potential relationships that might make sense?
- Is the company missing any opportunities?
- Are there any new shifts in the company’s marketing?
- Are you able to find any public information about their marketing programs/effectiveness?

The group presentations will take place on the last night of class, however, you will want to begin working on this project almost immediately since it will take some time to collect the sample print ads, receive e-mail promotions, request catalogs, track search engine performance, etc. that you will need for your project. We will assign teams on the first night of class and your team will be required to choose its client company and submit a brief description of this company to me by the 2<sup>nd</sup> night of class so that I can make recommendations as needed.

Keep in mind that there are many companies that utilize some direct marketing tactics as a part of their broader marketing plan however, what you should choose is a company that is a true direct marketer at its core. For example, both Dell and Sony sell computers and computer equipment. True, both may use a few of the same direct marketing channels but, of the two, only Dell operates its business using an almost 100% pure direct marketing model while Sony follows a more retail driven model supplemented by some direct marketing tactics.

The target length of your presentations will depend somewhat on the number of students and teams. More information on this will be provided by the second night of class.
Class Participation
Group participation is extremely important to the intended dynamic of the course and for everyone’s learning benefit. We each bring our own experiences and insights to the table and, when shared, those experiences enhance the course content for the entire class. Therefore, it is expected that you will not only contribute to class discussions but also that you contribute with something meaningful. With this in mind, please make it a point to come to class each night prepared for the night’s lecture topics, ready to respond if called upon, and fully attentive until class is over.

Please note that class participation counts as 15% of your final grade. 10% will be based on my assessment of your preparedness and in-class contribution and the remaining 5% will be based upon your peer’s confidential assessment of your contribution toward the group project.

COURSE OBJECTIVES
When you have completed this course you should:

- Have a clear understanding of difference between direct marketing tactics and direct marketing as a business strategy.
- Have a working knowledge of direct mail as a marketing medium including cost considerations, sourcing options, list segmentation, performance measurement methods, match-back analysis, and design considerations.
- Have a working knowledge of print advertising as a means of direct marketing including best practices in print design and conversion tactics, performance measurement.
- Have a working knowledge of e-mail as a means of direct marketing including best practices in design, conversion tactics, performance measurement, and legal requirements.
- Have a working knowledge of the web as a direct marketing channels including website design, conversion tactics, designing for search engines, and the use of website analytics.
- Have a working knowledge of organic search engine marketing as a direct marketing channel including how to optimize the website to improve search engine rankings.
- Have a working knowledge of paid search engine marketing as a direct marketing channel including identifying potential keywords, bid management, PPC ad copy selection, and landing page selection.
- Understand the pros/cons and key considerations for each of the channels studied.
- Be able to evaluate a direct marketing program for effectiveness and cross-channel consistency.
- Be able to develop a relatively simple multi-channel direct marketing campaign.
- Understand the use of segmentation as a key to direct marketing management.
- Be able to analyze performance data to identify critical metrics including RFM, ROI, Lifetime Value, acquisition cost.

COURSE FORMAT/NIGHTLY SCHEDULE
The course will be taught focusing in part on direct marketing strategy and in part on direct marketing tactics. We’ll begin each night (except the first and last) with the IVP’s which will bring us a bit of the strategic and the tactical. Next we’ll discuss the night’s reading from the textbook (and any assigned supplemental readings) which will tend to be more strategically focused. Finally, we’ll turn out attention to the night’s “tactical topic” – Mail, search, e-mail, creative, etc. in which we take a closer look at specific direct marketing channels. On the final night of class we’ll conclude with the group presentations.
Night 1 – Introductions, what to expect, D.M. Strategy

- Introductions
- Review syllabus
- Discuss Expectations (road map for the course)

DM STRATEGY DISCUSSION

- Chapter 1 – Marketing disciplines – DM strategy and how the disciplines interrelate
- Chapter 2 – Direct marketing as Sales

LOOKING AHEAD

- Developing the I.V.P schedule
- Assign teams for group presentation
- Discuss 1 page write-up due the following week

Night 2 – Sourcing and Direct Mail

ASSIGNMENT DUE – Submit proposed company for group presentation

I.V.P.’s (10 minutes each X 5)

DM STRATEGY DISCUSSION

- Chapter 6 – Finding your audience – Sourcing lists, segmentation, etc. and Chapter 3 (Think Like a direct marketer)

TACTICAL TOPIC - Direct Mail –

- Identifying prospect lists
- The list rental process
- Coop Databases
- Developing the mail plan
- Segmentation
- Merge/Purge
- Establishing/measuring key metrics
- Understanding the economics
- Evaluating the use of offers
- Matchbacks & testing

Night 3 – Database Marketing and E-mail

I.V.P.’s (10 minutes each X 5)

DM STRATEGY DISCUSSION
• Chapter 7 – Data, Data Processing, and database marketing
• Discussion of trade magazine article (handed out in class the prior week)

TACTICAL TOPIC - E-Mail Marketing
• Best Practices in DM e-mail design
• Sourcing the database
• Opt-in vs. Opt-out
• CAN SPAM act
• Eye tracking studies
• Evaluating the use of offers
• Testing e-mail (offers, creative, multi-variant testing)
• Customization of e-mail – ultra targeted

Night 4 – Testing and Marketing via the Web

I.V.P.’s (10 minutes each X 5)

DM STRATEGY DISCUSSION
• *Chapter 10 – Testing and tracking*

TACTICAL TOPIC - Web-site (design, functionality)
• Developing a DM website
• Design standards
• Features and functionality
• Taking advantage of the website’s strengths
• Working around its weaknesses.
• Rich Media
• Designing for conversion

Night 5 – Creative and Search Engine Marketing

I.V.P.’s (10 minutes each X 5)

DM STRATEGY DISCUSSION
• *Chapter 8 – Creative*

TACTICAL TOPIC - Search Engine Marketing (paid and organic)
• 4 levers of PPC (Title, Copy, bid management, landing pages)
• Keyword selection
• Competitive bidding
• Copy/content
• Evaluating the use of offers
• Landing page selection
• Search Engine friendly website design
• Generating Page rank
• Considering the Search Engine Algorithms
• Shopping Engines (Froogle, bizrate, price shopper)
• Paid inclusion

Night 6 – Using Print and Social Networking

ASSIGNMENT DUE – Data Set Analysis

I.V.P.’s (10 minutes each X 5)

DM STRATEGY DISCUSSION
  • Discussion of trade magazine article (handed out in class the prior week)

TACTICAL TOPIC 1 - Direct Marketing via Print
  • Designing for print sales – best practices
  • The economics of Print DM (CPM, etc)
  • Conversion factors
  • Magazines, newspapers, etc

TACTICAL TOPIC 2 - Direct Marketing and Social Networking
  • MySpace, Facebook, and other social networking sites
  • How social networking is changing the DM landscape.
  • The power of DM using Social Networking

Night 7 – Group Presentations

GROUP PRESENTATIONS
  • Assuming 6 teams (approx 5 members per team)
  • Assume 4-5 minutes per team member X 5 team members = 20 minutes + 5 minutes Q+A for each presentation