

Postal Reemerges in B-to-B Marketing

In the last 20 years, there have been significant, technology-driven shifts in B-to-B direct marketing that have affected traditional postal marketing communications. In the 1980s, for example, the evolution of the fax as a relatively cheap and easy tool for the delivery of documents and text became the first viable competitor to postal delivery of direct marketing pieces.

E-mail Enters the Mix

The explosion of the Internet and e-mail communication in the 1990s had an even more dramatic effect on B-to-B direct marketing. In fact, during the tech boom that started in the late '90s (and continues to the present), list professionals and B-to-B list owners have seen postal list rentals fall off a cliff, predominantly as a result of e-mail's exceptional response rates, which offered marketers returns that were too good to ignore. As e-mail list rentals soared and response rates continued to be strong, vendors in the B-to-B market settled into a state of "marketing nirvana."

This, of course, was helped by a strong economy, dot-com mania, and a general sense that e-mail marketing would continue to sustain levels of response not seen since the earliest days of direct marketing. It began to seem as though postal list rentals would go the way of the buggy whip.

However, as a testimonial to the rapid rate at which technology can affect the less technical practice of marketing, e-mail marketing has gone through an entire cycle, reaching a mature stage in a relatively

short time. The economy and the world are different than they were in the heady days that preceded 2001, but factors such as the evolving nature of e-mail, the proliferation of spam, and the rise of search-engine advertising options are beginning to have their effect, and the resulting decline in e-mail response rates is fueling the reemergence of postal B-to-B direct marketing.

Like most people in the business world, the first thing I do when I get to the office is check my e-mail. It's simply an essential and ongoing part of the business day. My spam

BY GLENN FREEDMAN

filter eliminates most of the offensive material, but also grabs some important information sent directly to me by business associates or sources I've given permission to contact me. I have to go into my spam filter to retrieve those isolated messages, basically defeating the intended purpose of the filter. Spam will continue to have an adverse effect on e-mail marketing response rates until more sophisticated filtering technology is developed.

Postal Reclaims its Place

We also are simply past the early novelty of e-mail communication. The enormous number of daily e-mails we receive increases the likelihood that response rates will continue to soften. If you factor in the relatively high CPM on e-mail list rentals—which held up well when response rates were considerably higher—response rates are reverting closer and closer to the response rates for postal direct mail.

As always, strategic analysis and

careful selection of lists will result in improved response rates, regardless of delivery method. B-to-B marketers were smart to shift dollars to e-mail when response rates were higher than postal response rates. However, unless and until the present obstacles that affect e-mail response rates are overcome, we will continue to see a shift of marketing dollars toward postal direct mail and other areas, such as search-engine marketing. The shift will be more incremental than drastic, but in my opinion, it will benefit marketers as they return to a marketing vehicle that suffered because of a unique convergence of factors.

E-mail direct marketing has a solid foundation, and has been an excellent marketing tool for B-to-B and consumer marketers. But the stage is set for B-to-B marketers to return to where it all began—the rental of postal mailing lists. Technology brings new options to the table, and you should be thankful that e-mail marketing has had a successful impact on the industry. As e-mail marketing takes its place in the direct marketing mix, traditional direct mail will make its resurgence, either as the primary vehicle or as an integral part of the multichannel marketing efforts of B-to-B and consumer mailers alike. ♦

GLENN FREEDMAN is CEO of L.I.S.T. Inc., a list brokerage and management company, and its affiliate company, DefinitiveData Inc. He can be reached at (516) 358-5478, ext. 101 or by e-mail at glennf@l-i-s-t.com.

