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Commentary

Direct Response: New And Improved!

by Carl Langrock

ON NEW YEAR'S DAY 2006, one of the largest advertising campaigns in the history of television broke nationwide. The "Your World, Delivered" campaign for SBC's re-launch of the AT&T brand had been tantalizingly previewed in the Dec. 29 New York Times and in many other media outlets, both online and off. The ubiquity of the preview demonstrated a very successful use of public relations. The Times, giving considerable space to its preview, correctly noted that the creative and media were done by GSD&M, Omnicom's venerable full-service agency in Austin and the long-time Southern Bell shop. What the Times did not mention was perhaps an even more important reflection of today's advertising reality. This was not a traditional brand re-launch or brand building media buy. A substantial portion of the creative included a call to action. A substantial portion of the media was bought as direct response.

In preparation for the campaign, GSD&M brought in direct response veteran Jim Warren to build a direct response media team from the ground up and to integrate its activities throughout the entire agency. Twenty-four hours after the campaign broke, Jim was able to report exactly where AT&T's spots cleared, where they had missed, and how many Web site hits each spot generated. He could display the response action on a market map and relate the activity back to each media buy. It was an exciting day in Idea City (as GSD&M refers to its home office). And the excitement bouncing off the walls of Idea City still echoes at "hybrid" direct response shops across the country.

This direct beat reverberates powerfully because hybrid agencies are using direct response media and tools to build brands for advertisers in almost every category, including some that were never thought of as direct response. These agencies have made direct response the fastest-growing medium for the last two years, according to TNS. Today, it's hard to think of categories in which advertisers are not using at least some form of direct response. Packaged goods/household? Think P&G, Clorox and Church & Dwight (which bought Orange Glo, which spawned OxiClean). Insurance? Try AIG, Progressive and GEICO. Retail? Try Home Depot or Sears. Hotels? Marriott. Automotive? Lexus, Land Rover and Nissan. Pharmaceuticals? Don't make me reach for that purple pill. And so on.

Building brands efficiently

Does DR build brands? Quick, name a ladder. Name a fat-fighting electric grill. Name a knife. Name an easily portable fishing rod. Name automotive insurance that's sold by a lizard. Did your answers to any of the above include Little Giant, George Forman, Ginzu, Pocket Fisherman or GEICO? Then you have proof that direct response builds brand recognition.

Still, the bottom line is the bottom line. There is no doubt that the tools of traditional media can build brands by focusing on targeted rating points and effective frequency. But building the brand using tools that give you an instant measure of return, so that you can always buy the most efficient advertising, for the most effective creative, right up to the point where it stops working - that's the increasingly not-so-secret sauce of today's direct response media.

But wait, there's more!

Direct response is the fastest growing medium because brands that buy direct response media see an immediate return on investment. And just like any traditional direct response product, if it works, people buy more. The tools of the direct response trade, meanwhile, are well known yet rapidly evolving. Today's Internet URL is yesterday's 800 phone number. Do you think that if you use a "vanity" phone number nationwide like 1-800-FLOWERS, you can still relate individual Web clicks to precisely the ad that generated those clicks? Sounds like alchemy, but it's reality. And it's not for a limited time only, but for the future and beyond.

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