



The Raphel Report

**Observations on marketing,
advertising, sales and
promotions
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Taking the Junk out of Your Advertising

Remember the scene in the movie “Network” where the TV announcer Howard Beale leans out the window and yells, “Get up! Open your windows, stick your head out and yell, ‘I’m mad as hell and I’m not going to take it anymore!’”

That’s the fast-growing attitude of American consumers to the proliferation of unwanted magazines, catalogues, spam e-mails and telemarketing calls that come all hours of the day - especially mealtime. It’s a significant trend, but it does have a flip side that will help marketers who are interested in marketing to their current customers. But first, the problem that many marketers face:

As you probably are aware, the government last summer instituted a national Do-Not-Call law. No longer would telemarketers have the right to interrupt your supper with pleas to try a new magazine or open a new credit card account. Once you register, telemarketers can no longer call for solicitation unless they represent a charity, political party or business with whom you have an ongoing relationship. Despite telemarketers’ claims of First Amendment violations, the courts have upheld consumers’ right to be free of annoying commercial calls.

Here was the immediate result: In less than five days, nearly 13 million Americans registered their telephones as do-not-call numbers.

“Customer response has been enthusiastic,” said FTC Chairman Timothy Muris. “The FTC expects more than 60 million of the total 166 million US residential phone numbers to register.”

Something’s happening out there, folks. People do not want to be interrupted from their busy lives and forced to respond to unwanted solicitations. And the U.S. government has decided to become the consumer’s best ally in restoring privacy. This governmental help is actually rather late in coming: for years, European governments have been very strict about regulating unsolicited advertising.

The flip side of this privacy revolt is this: If you have a message the consumer wants to hear, you now have a better opportunity to reach interested customers without contending with a deluge of clutter. The key: you have to have a business relationship with the customers you solicit. The more connections you have with your customers, the more likely you are to sell products to them.

People are sick and tired of being solicited on the phone, in the mail and on the computer, so make sure what you have to say is positive and relevant. And you only know what’s relevant by practicing the rule of LISTENING to your customers.

You do this by keeping a record of the products they like, prices they are comfortable with and their lifestyles. Include in your customer data the month and day of their birthday - not year - (and that of their significant other) so you can send birthday cards in the appropriate month.

When you phone, mail or e-mail your own customers with information or acknowledgements they want to receive, you will build customer *loyalty* rather than customer anger.

It is not only unwanted phone calls that drive consumers crazy. We decided to take the advice of Howard Beale and yell, "I'm not going to take it anymore!" to unwanted advertising.

First step: We decided to call catalogues we receive that we do not want. What a waste of paper and postage unrequested catalogues pose. Most catalogue companies had obtained our name by exchanging their subscription list with other catalogues we had bought merchandise from.

In a few days, we eliminated 87 catalogues! (We're still calling . . .)

Next step: We tried to eliminate unwanted faxes. Many of the faxes we don't want have a phone number on the bottom of the fax we can call to take our name off their fax list. But more than half we tried to call had busy lines or simply did not answer!

The problem of unwanted faxes may disappear because the Do-Not-Call list has a little-known provision that now requires businesses that send faxes to customers and potential clients to get written permission to send them! Since the penalties can range up to \$11,000 in fines per fax, this should cut down your unwanted future faxes and also save you money on paper and ink.

What's next? You guessed it: Eliminate "spam." More than 8 in 10 surveyed (including us) said they would like to see a similar government-sponsored "Do Not-E-Mail" program. They described spam as a bigger nuisance than telemarketing. Today spam marketing makes up about 40 percent of all e-mail, says the Federal Trade Commission, costing consumers more than \$10 billion a year.

Senator Charles Schumer of New York has introduced a SPAM act calling for a national "No Spam Registry." You register your e-mail address on your computer similar to the "do not call" telemarketing list. Violators can be fined \$5,000 for each violation. Those receiving spam messages can sue for as much as \$1,000 for each unwanted e-mail. Repeat offenders could get jail time.

Consumers are also up in arms about unwanted advertising - not just in the US - but all over the world.

You can request to have your name taken off mailing lists by writing the Direct Marketing Association in New York City. They will forward your request to their list broker members who maintain the largest amount of names rented to companies.

In Spain, six percent of households display a "no promotional material" sticker on their doors. Message to the mailman: "If it's advertising, don't leave it!"

In Germany, nearly one out of four households has a similar notice on its mailbox.

In England, if someone doesn't want to receive direct mail solicitations, they write the Mailing Preference Service. They, in turn, send your name to CACI, the UK's largest mailing list supplier, who removes your name from their lists. They do the same for people not wanting to receive telephone solicitations.

In Australia, a new law from the Western Australia state government makes it illegal for private companies or individuals to deliver mail to households that display a sign saying, "Australia Post articles only."

Even though this is only for unsolicited mail not delivered by their postal service, Terry Murphy, director of the Australian Direct Marketing Association, is convinced the legislation will spread to the country's seven other states and territories.

In Switzerland, Walter Schmid, a leading direct marketing expert, tells us that one million letter boxes carry a sticker saying, "No advertising wanted." That's about 35 percent of the population!

What does all this mean to your business?

Think about it for a minute. Do you really want to advertise to people who get upset when you contact them? Probably not.

We think the future of marketing is target marketing, advertising to people who want what

you have to sell. Your marketing costs will shrink as you reduce your solicitations to people who really want to be sold. Start with your customers. Add people who opt-in to receive special offers from you. Try some mass marketing (newspapers, radio, television) to tell people about your services and give them opportunities to contact you. The more you advertise to people who want your product and service, the more successful you will be.

Good marketers should fight against spam and unsolicited telemarketing and junk mail just as hard as the privacy advocates. If we get rid of the clutter, people will respond better to our message.