

Predicting the Future Of Relationship Marketing

Geoff Mc Grath of RMG Target was one of the speakers at An Post's last breakfast briefing of 2010. During his talk, he highlighted the importance of combining DM with digital marketing and gave some predictions for the future of relationship marketing in the coming year.

The Digital Revolution Is Happening.

There is absolutely no doubt that consumers are incorporating more and more technology into their lifestyles, so there is clearly massive scope for digital marketing. However, to do this at the cost of direct marketing would be a big mistake. Research from every market around the world suggests that DM works and we should still rely on the undisputed impact direct marketing is proven to have. It's telling that more than eight out of every ten Irish consumers believe that DM is still more relevant than TV and this leads me to my first prediction:

Prediction one: we will invest more in digital, but not at the cost of DM.

The secret to being successful in the future will not be down to whether you use DM or digital, it will be about using the unique strengths of each medium to develop powerful strategies that, synergistically, can be far more successful than by using one medium alone.

Prediction two: the most successful campaigns will use DM and digital.

DM can do things that digital cannot and vice versa. Direct mail is physical and tangible. It is proven that consumers look forward to receiving something in the mail that isn't a bill. DM leaves a lasting impression and is more likely to be kept. On the other hand, digital is more immediate and very often is disposed of straightaway. But both have their strengths and the most effective and profitable strategies will be those that use both communications.

A good example of this integrated approach was the *Open Your Mind* campaign. Consumers were sent a simple piece of DM consisting of a postcard with a five cent coin attached. They were able to use the coin to scratch off a panel that revealed a personalised url. Once they visited the url, they enjoyed a highly personalised experience that encouraged the audience to spend time with the brand.

Prediction three: brands will have to work harder to offer a more rewarding experience.

Today, people's time is almost as valuable as their money, so brands have to look at more creative ways to engage people. For example, there is a clothing manufacturer that lets customers try on clothes

'virtually'. This is the sort of creative thinking that will be needed in future if campaigns are to work.

Prediction four: There is going to be a shift from acquisition to affinity.

There is little doubt that we are in the golden era of relationship marketing and there is going to be more of a focus on affinity, rather than acquisition. Facebook is probably a good example of this, but, overall, brands will concentrate their campaigns on developing deeper relationships with their existing customers.

It's All About The Relationship.

At Target, we've always seen ourselves as a RM agency more than anything else. We might use digital and DM to get our results but we are not a digital or DM agency. Today, more than ever, it's all about the relationship with the customer.