

Direct marketers respond to threat : Campaigns continue despite anthrax crisis, but companies handle packaging with care

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10/29/2001

B to B

Reacting to the anthrax threat, some b-to-b marketers are temporarily calling off mailings, re-evaluating their direct mail techniques and relying more-but not exclusively-on e-mail.

The direct marketing industry faces the toughest environment ever. Along with operational challenges-shuttered post offices, the prospect of a broader shutdown of the U.S. postal system and new, stricter procedures in corporate mailrooms across the nation-marketers confront an increasingly skittish public, less inclined than ever to open mail.

"We do think that it's had an effect on behavior," said Al DiGuido, CEO of Bigfoot Interactive Inc., a New York-based direct e-marketing agency.

A new study confirms this opinion. According to Insight Express L.L.C., a Stamford, Conn., consulting firm, 56% of the 308 b-to-b executives polled said they are more concerned about opening mail today than they were one month ago. (See chart, Page 22.)

Meanwhile, each day brings chilling news of bio-terrorism. As of press time, the number of confirmed anthrax cases had risen to 13-seven from inhalation anthrax and six from the less dangerous skin contact form. Three people have died, including two postal employees last week.

In an unprecedented statement last week, Postmaster General Jack Potter told CNN that the safety of U.S. mail is not guaranteed. "There are no guarantees there is no anthrax anywhere," Potter said. But he said the Postal Service should not be closed. "I don't believe there is a need to shut down the Postal Service. Life is filled with risks."

Even so, b-to-b direct mail may fare better than its consumer counterparts. "Overall, b-to-b will be in better shape because many names are well known to the recipients. People know the suppliers," Direct Marketing Association President-CEO H. Robert Wientzen told BtoB (See the complete Wientzen Q&A, Page 3.)

Canceling mailings

In response, some b-to-b companies are calling off direct mail campaigns. But most are seeking ways to boost the perceived safety of their mailings.

Anthony Baradat Iglesias Advertising & Public Relations last week canceled plans to send potential pharmaceutical company clients prescription pill bottles that contained a marketing pitch. "Needless to say, when Tom Brokaw came out on TV holding a little

bottle of Cipro, we decided that that part of the mailing wasn't going to go," said Tony Baradat, president of the Miami-based agency.

The company also made the decision because a parcel mailing in the weeks before had, in some cases, been thrown out unopened by recipients. "Some companies did see our package, didn't know what it was and didn't open it," Baradat said. "You can still do direct marketing and direct mail, but you need to watch what you send."

At Babcock & Jenkins, a direct marketing agency in Portland, Ore., a recent mailing required a slew of follow-up calls. "One client of ours sent out a box, flashlights in an unidentifiable package, so they called everyone who was getting it to reassure them," said CEO Bill Babcock.

Other companies have reacted by increasing their reliance on other forms of direct marketing. Waltham, Mass.-based marketing software developer iMarket Inc. was considering a stand-alone, high-impact package mailing about its software. But, in the wake of the anthrax crisis, it changed plans and decided on a telemarketing campaign followed by a postcard.

"We are going to do a very thoughtful telemarketing campaign: Call first, identify contact names and whom we want to communicate to," said Jennifer Sprague, VP-marketing. "The mailing piece will not come in a box or tube or anything like that, but we'll do a postcard mailing. We're trying to create a cadence that's going to make clients comfortable, and we're definitely making sure we have our brand and logo on [the postcards]."

iMarket's penchant for putting its logo on the outside of its mailings is an idea being adopted by many b-to-b companies. Prior to Sept. 11, it was conventional wisdom that sending an unidentifiable package was a shrewd marketing approach. The DMA has advocated the use of logos on mailings as one of several recent recommendations to its membership (See chart, this page.)

Indeed, experts are advising b-to-b clients to go even further and put their toll-free numbers on the outside of envelopes. "People are concerned about contents, so you can give them an 800 number to verify [the sender]," said David Garfinkel, CEO of San Francisco consultancy Overnight Marketing. The toll-free number goes directly to the company's sales department, the same number enclosed in the envelope, Garfinkel said.

Some companies are now sending window envelopes to allow recipients to view contents before opening. "With [closed] letter mail, there is a concern about response rates," said Wilson Zehr, CEO of direct mail company ZairMail Inc. in Portland, Ore. "Predominantly, we're sending windowed envelopes. This would tend to lower risk."

The e-mail alternative

E-mail, of course, is anthrax-impenetrable, leading some industry watchers to speculate that e-mail marketing will boom in the wake of bio-terrorism. However, no company

interviewed by BtoB for this article said it was taking an e-mail-only approach to direct marketing.

Rather, the consensus is building that temporarily curtailing mail efforts is prudent but that stopping mailing altogether in favor of e-mail is shortsighted.

"We're using more e-mail and recommending that our clients use more of it," said Marc Brownstein, president of The Brownstein Group in Baltimore, a marketing agency with Microsoft Corp. as a client. "But we are not cutting back on traditional mail. That would be damaging. The combination of electronic and digital marketing is simply more effective."

Many marketers expect the current crisis will be short-lived and that marketing, to a large degree, will soon return to normal.

David Sable, president-CEO of ad agency Wunderman, New York, said overreaction causes the greatest concerns. As the U.S. gets a grip on its postal systems, fear of mail as a marketing medium will decline, he said.

Marketers should evaluate whether they might be able to deliver a tighter bond with customers and prospects through an integrated direct marketing campaign that highlights the corporate brand and uses interactive and mail programs in coming weeks, Sable said.

"There is a lot of bunk out there," Sable said. "The anthrax problem is only weeks old. I have heard foolish pronouncements such as this being bad for mailers but good for the Internet. But Internet merchants have to use the same infrastructure to deliver goods. The best thing to do is put this in perspective and realize we'll know a lot more in just a few weeks."

There may even be an upside for business marketers eager to collect information about prospects and customers, said David Florence, president of the New York office of direct marketing agency DraftWorldwide. In the future, Florence predicted, people will be willing to divulge more information about themselves in exchange for security and protection. As the barrier to information goes down, so too will a reluctance to give personal or business information in exchange for similarly secure communications.

Therefore, now is not the time to shove a direct marketing campaign to the back burner, Florence said. The coming weeks are a time to use your trusted brand, should anthrax scares go away, he said.

"We're concerned about the safety of direct mail right now," Florence said. "But our attitude in general is: The more effective and recognizable a corporate brand, the more important it will become in the months ahead."

There will be long-term effects, said Bigfoot Interactive's DiGuido. "The things that have happened in the past couple of weeks will change the way people use offline media," he said. "They'll be much more illustrative in their packaging, and the recipients will want [the mail] they're getting."

Photo Caption: With each new case of anthrax, direct marketers must decide whether to proceed with planned campaigns. Recent surveys find executives are wary about opening mail. Art Credit: Source: Insight Express L.L.C., 2001 (2nd chart) fears change executives' attitudes, behaviors Art Caption: DMA issues guidelines concerning anthrax scare * Anthrax Photo Credit: AP Photo/Roberto Borea