

Expert Series

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Putting the 'Test and Roll-out' approach at the heart of your direct marketing.

If you want to get the best from your testing program, it is important to plan the way in which it will drive your campaign activity. If you set out to test the small things, you'll only ever achieve a small result. If however you put testing at the heart of your direct mail approach, you'll achieve important learnings quickly.

This requires planning. You need to draw up a schedule of what you believe are the most important things to know about your databased customers and how they behave. This usually means starting with Targeting and Offer tests, as these generally have the biggest impact on overall results. Creative and Timing tests can then build upon a solid foundation, and drive the incremental gains that deliver better results, month-on-month, year-on-year.

Companies that are fully committed to testing as a core component of their direct mail strategy tend to use what's known as a 'Test and Roll-out' approach. This means that they will have, over time and through steady incremental testing, have achieved what is termed the 'banker' mailing; that is to say, the best possible mix of targeting, offer, creative and timing that has been achieved through the testing program to date.

Every time the 'banker' mailing is sent, a 'challenger' is also produced that aims to achieve a better result. This may look very similar to the 'banker', but will incorporate a subtle but important test variation in offer or creative (targeting and timing tests will usually use the existing 'banker' treatment). If the 'banker' response rates have been showing signs of fatigue, the 'challenger' approach might be much more radical, with a view to freshening the whole approach and driving response rates to previous levels.

With this kind of approach, the vast majority of targets will receive the 'banker', as this has the proven track record and hence allow a good estimation of likely response. A much smaller (but still statistically significant) group will receive the 'challenger' pack, where the response rate is by definition yet to be established. This minimises risk, while still permitting better results in the future. If the 'challenger' achieves a better result than the 'banker', then it usurps the latter and becomes the 'pack to beat' in the next campaign. In other words, the test is deemed to have been successful and is 'rolled out' in the next phase of activity, once again with a 'challenger' attempting to achieve a better result still.

I hope this short series has raised your interest in the potential for testing to help you get the very best returns from your direct mail investments. There are many great business titles on the market that cover the subject in far more detail, often written by practitioners who are brave enough to admit that they learnt the value of testing the hard way! The one

thing they all agree on however is that testing should be a valued and valuable component of every direct marketing campaign.

Alistair Wright is a Managing Partner with Torque, a leading customer analytics and targeting consultancy with offices in Melbourne, Sydney and Brisbane. Alistair has worked in direct marketing for twenty-five years, both client-side and for a number of leading direct marketing agencies and consultancies. He is a frequent guest speaker at ADMA and associated events across Australia.