

Expert Series

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As Simple As Possible But No Simpler

Albert Einstein once wrote that “A theory is the more impressive the greater the simplicity of its premises, the more different kinds of things it relates, and the more extended the range of its applicability.” This is often condensed into its more popular version: “Make everything as simple as possible, but no simpler,” itself an elegant simplification of the original.

How can this “simple” principle apply to direct marketing?

My experience in direct marketing and the results that I have seen in case studies have consistently shown that a simple solution will often out-perform a more complex one.

Here are **three simple rules** that can be used for effective direct marketing.

Rule 1: Use Knowledge of Existing Customers to Find New Customers

It is common sense that the best new customer prospects will share characteristics with your existing customers. Therefore you can use these characteristics (e.g., female, 45+, wealthy and living in urban areas) to select prospects for your acquisition campaign.

You should look to utilise databases that have these criteria available as selections. In addition, some list providers can produce a profile of your customers in order to identify the key selection characteristics.

Rule 2: RFM Analysis Works

Analysis of Recency, Frequency and Monetary (RFM) values is usually performed on your own customer database but can also be used successfully on commercially available transactional databases.

Arthur M Hughes explains how to apply RFM analysis to your database in his article called ‘Quick Profits with RFM Analysis’ that can be found [here](#).

Rule 3: Test, Test and Test Again

The ability to test mailing lists, offers and creative materials is one of the foundations of direct marketing. Testing allows you to improve a winning formula or identify new avenues of growth for your business.

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You should use your expertise, as well as the expertise of your list provider and creative team, to identify elements that can be tested in your campaigns.

Complexity and Simplicity

It is ironic that each of these rules actually requires a reasonably complex analysis of your customer database, mailing lists and campaign results in order to reveal the “simple” truths. The principle still holds true, however, and the rules and processes are merely ways of hacking away at the layers to find the simple truths lying beneath. In the end, these essentials will reward you with an enhanced understanding of your customers, and an improvement in the effectiveness of your direct marketing campaigns.

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