

Business and Industry Portal

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Using direct marketing

Direct marketing is a form of advertising that specifically targets a person or company to generate new business, raise the profile of an organisation or product, or make a sale. Direct mail, telemarketing and email marketing are all popular types of direct marketing.

Direct marketing trades on the greatest of all sales advantages - the opportunity to communicate directly with your customer to build a personal relationship. It allows you to reach your target audience with direct messages, without using traditional, costly advertising methods such as TV, newspapers and radio advertising.

Because they bring you into direct, unsolicited contact with your customer, direct marketing campaigns are governed by important privacy regulations. If you are considering a direct marketing campaign, you need to be aware of these regulations and abide by them at all times.

This guide explains different types of direct marketing, and provides information on how to make the most of your direct marketing campaign.

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Benefits of direct marketing

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Good direct marketing campaigns focus on promoting a specific product or service, and call on your customers to act - to receive further information, register their interest, visit your website, make a booking or a purchase.

Direct marketing gives you the opportunity to promote your products and services directly to the customers who most need them. A good direct marketing campaign will:

- help you build relationships with new customers
- test the appeal of your product or service
- tell you which marketing approaches reach your target market
- provide customers with compelling content they can share with potential customers
- increase sales.

However, direct marketing campaigns require careful planning and a clear understanding of responsible direct marketing practice. Being aware of the benefits and challenges of direct marketing will help you use direct marketing effectively.

Making the most of direct marketing

A well-planned direct marketing campaign can take you straight to your ideal customers.

Identifying the benefits of direct marketing will help you stay focused on getting the most out of your direct marketing campaign.

Target your ideal customers

Using direct marketing allows you to target specific groups of customers with tailored messages. By taking the time to research and identify the customers [<https://www.business.qld.gov.au/business/starting/market-customer-research/researching-customers>] who are most likely to need or want your products and services, you can focus your marketing efforts where they have the highest chance of achieving results.

A well-targeted direct marketing campaign will also provide you with an accurate understanding of how your customers are responding to your product and service offers.

Market on a budget

Direct marketing that is targeted to a specific audience can help you set realistic sales goals and improve sales results on a tight marketing budget. Businesses can run effective and purposeful direct marketing campaigns at a fraction of the cost of broadcast advertising.

Increase sales to current and lapsed customers

Most customers welcome contact from familiar business people who make an effort to understand their needs and build a personal relationship. You can increase sales to your existing customers by maintaining reliable customer records [<https://www.business.qld.gov.au/business/running/customer-service/collecting-and-storing-customer-information>] and choosing simple, well-planned promotional tactics.

You can also use direct marketing tactics to re-establish relationships with customers who haven't returned to your business in a while. Approaching lapsed customers is an opportunity to rekindle sales, keep your customer records accurate, and find out why your customers move on.

Improve customer loyalty

Direct marketing helps you build direct relationships with your customers. You can personalise promotions, letters and offers to create an immediate link with your customer and increase their personal connection to your business.

Many businesses combine direct marketing and customer loyalty strategies to keep and build customer relationships (e.g. by sending birthday cards, discount offers, invites to upcoming sales).

Create new business

When using direct marketing you can communicate directly with your chosen target market and this should give you a better sales success rate than communicating to the mass market, many of whom may not be interested in your products and services.

If you use effective techniques for sourcing and finding new customers [<https://www.business.qld.gov.au/business/starting/market-customer-research/researching-customers>]

ov.au/business/business-improvement/finding-new-customers], you can generate new customer prospects and grow your sales to new customers.

Direct marketing lets you adapt and respond to the needs of your market, and your business. You can achieve fast and flexible sales results using direct marketing. For example, you could use a direct marketing campaign to:

- boost sales of a particular product
- run out discontinued stock
- renew stale sales figures
- increase customer contacts
- directly follow-up on a promotion.

Word-of-mouth is the most powerful form of marketing. An effective marketing campaign will provide customers with collateral about your business that they can easily share with their friends, colleagues and family. This can generate new leads for your business.

Test and measure your products and sales performance

Direct approaches provide direct feedback. Direct marketing is also a great way to gauge your customers' appetite for your products and trial new products or services.

Direct marketing also allows you to test new markets, review sales results, measure the effectiveness of your sales and advertising [[https://www.business.qld.gov.au/business/running/market ing/advertising](https://www.business.qld.gov.au/business/running/market-ing/advertising)] tactics, and easily make adjustments to your campaign. Each time you run a direct marketing campaign you should monitor and review the results, using this information to improve the success of your next campaign.

For example, if you mail 100 customers a catalogue with a discount voucher on the back page and 20 customers bring this into your business to use, the campaign had a response rate of 20%. By working out the cost of creating and mailing the catalogue, as well as the profit you made from each customer that responded, you can assess the success of your direct marketing campaign.

Related links

- Learn about responsible and effective direct marketing practices from the Australian Direct Marketing Association [<http://www.adma.com.au/>].
- Find out more about the sales process [<https://www.business.qld.gov.au/business/running/sales-customer-service/sales-process>].
- Setting sales targets [<https://www.business.qld.gov.au/business/running/sales-customer-service/sales-targets>] can be productive.
- Read about how to build your brand awareness [<https://www.business.qld.gov.au/business/running/marketing/branding-for-business/building-brand-awareness>] and using public relations [<https://www.business.qld.gov.au/business/running/marketing/public-relations>] to build your customer base.
- Learn how you can monitor the success of your advertising [<https://www.business.qld.gov.au/business/running/marketing/advertising/monitoring-advertising-success>].

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Tips to manage direct marketing challenges

Direct marketing campaigns require careful planning and analysis. While direct marketing can be a powerful tool for growing your business, it must be properly considered, and supported by good information and recognised marketing principles [<https://www.business.qld.gov.au/business/running/marketing/marketing-basics/seven-ps-marketing>] and practices. Consider these tips for managing direct marketing challenges.

Tips for avoiding direct marketing pitfalls

Don't offend customers

Poorly planned or delivered direct marketing tactics can offend potential customers. Identify the customers who you believe are likely to be interested in your product or service. Build a database of potential customers and work through your contacts. Approaching people who have no interest in your products or services can cause frustration and create negative perceptions about your business. Similarly, invasive and overly persistent communication tactics can also damage your reputation.

Understand marketing laws and ethics

Direct marketing practices are governed by the Australian Direct Marketing Association's code of practice and best practice guidelines [<http://www.adma.com.au/comply/overview/>]. Take the time to learn about responsible direct marketing, and understand your direct marketing obligations (e.g. you must not contact individuals who have formally asked not to receive direct marketing). If you understand the laws relating to unsolicited mail and telemarketing [<https://www.business.qld.gov.au/business/running/marketing/direct-marketing/telemarketing>] you can avoid a regulatory breach that would incur serious penalties for your business.

Be organised

Effective direct marketing campaigns are well-organised, purposeful and professional. Your direct marketing approaches are often your first meeting with your customers. First impressions [<https://www.business.qld.gov.au/business/running/sales-customer-service/sales-skills/creating-effective-first-impressions>] count. Plan and script your approaches to customers carefully. Making confusing, poorly targeted or poorly delivered offers can lose you sales, opportunities, trust and credibility.

Avoid waste

Sustainable direct marketing practices reflect well on your business. Many of today's successful direct marketing campaigns rely far less heavily on paper and more on electronic delivery. When choosing your direct marketing tactics, consider the environmental implications. Review your market research [<https://www.business.qld.gov.au/business/starting/market-customer-research>] and analyse whether your target market respond better to print or electronic communication.

Related links

- Learn more about great communication skills [<https://www.business.qld.gov.au/business/running/managing-business-relationships/communicating-effectively-for-business>] for business.
 - Read about how to research your customers [<https://www.business.qld.gov.au/business/startin g/market-customer-research/researching-customers>].
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Types of direct marketing

Direct mail

Direct mail is posted mail that advertises your business and its products and services. There are several different types of direct mail (e.g. catalogues, postcards, envelope mailers). Direct mail campaigns are usually sent to all postal customers in an area or to all customers on a marketing list. Learn more about direct mail [<https://www.business.qld.gov.au/business/running/marketing/direct-marketing/direct-mail>].

Telemarketing

Telemarketing involves contacting potential customers over the phone to sell products or services. It is capable of generating new customer prospects in large volumes and is also a useful tool for following up on direct marketing campaigns. However, a successful telemarketing involves planning and using accurate and well-researched customer data to match customer profiles to product profiles. Find out about telemarketing [<https://www.business.qld.gov.au/business/running/marketing/direct-marketing/telemarketing>].

Email marketing

Email marketing is a simple, cost-effective and measurable way of reaching your customers. It can include e-newsletters, promotional emails to generate new leads or offers for existing customers, or ads that can appear in other business's emails. Learn more about email marketing [<https://www.business.qld.gov.au/business/running/marketing/direct-marketing/email-marketing>].

Text (SMS) marketing

Text messaging allows businesses to reach individual customers and send messages to large groups of people at a low cost. You could use short message service (SMS) messaging to send customers sales alerts, links to website updates, appointment or delivery reminders, or personalised messaging. Find out about text (SMS) marketing [<https://www.business.qld.gov.au/business/running/marketing/direct-marketing/text-sms-marketing>].

Leaflet marketing using letterbox drops and handouts

Distributing well-designed leaflets or flyers through letterbox drops and handouts can work well for a local business whose products or services appeal to a broad audience. It is a simple, inexpensive and effective way of reaching customers, although it is a less targeted form of direct marketing. Learn more about leaflet marketing using letterbox drops and handouts [<https://www.business.qld.gov>].

v.au/business/running/marketing/direct-marketing/leaflet-marketing-letterbox-drops-handouts].

Social media marketing

Social media can be used effectively as a marketing tool for business as it gives you the opportunity to interact directly with your customers and regularly share relevant product or service information. Social media platforms also make it very easy for your customers to share your content with their entire network, increasing your reach exponentially. Consider developing a profile for your business that allows you to promote your products and services while also encouraging customers to provide feedback by leaving comments. Find out about social media marketing [<https://www.business.qld.gov.au/business/running/marketing/online-marketing/social-media-business>].

Direct selling

Direct selling is an effective way to grow a flexible, low-cost business. Direct selling involves an independent salesperson selling products or services directly to customers, often at a customer's home or workplace. Traditional direct selling methods include door-to-door sales, party plans and network marketing. Learn more about direct selling [<https://www.business.qld.gov.au/business/running/marketing/direct-marketing/direct-selling>].

Related links

- Find out about promoting a business at trade shows and exhibitions [<https://www.business.qld.gov.au/business/running/marketing/promoting-business-show-exhibition>].
- Learn more about online marketing [<https://www.business.qld.gov.au/business/running/marketing/online-marketing>], including using Facebook, Twitter and a blog to promote your business.

Contact: General enquiries 13 QGOV (13 74 68)

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