

Summer News at CGSM



The Direct Mailbox

Since the inception of **Canterbury Tales** a column called **'The Paper Caper'** has been a stalwart. And while conditions in the overall paper market remain somewhat volatile, the state of the direct mail industry offers a more intriguing subject yet at the same time encompasses paper, manufacturing and postage. Therefore we have replaced The Paper Caper with **The Direct Mailbox**.

Simply stated, **direct mail volume has been substantially reduced overall**. Postage costs continue to rise as the USPS has lost so much first class postage volume – historically the major money maker for the USPS. Since the decline in first class postage volume is expected to continue, advertising mail (known as standard A) could be the area that offers growth potential. Yet the internet and its e-commerce applications have greatly impacted the usage and effectiveness of traditional direct mail. Catalog volume has dropped dramatically as prospecting via catalogs has never been more difficult.

But there are still many marketers prospecting for new leads via direct mail as well as those that are marketing to their house file using direct mail. **Combined with e-mail marketing direct mail continues to be a viable channel**. The USPS has offered a **'Summer Savings'** program to help build mail volume during a traditionally slow time of year. We are seeing our clients look to take advantage of what is a substantial discount. The program came in a little late as most companies plan out their year well in advance. But it's good to see a little proactive marketing from the usually staid USPS.

As for paper and manufacturing, the market for paper seems to be fairly stable looking ahead 6-12 months but all it will take is for one mill to shut down to tighten the supply and cause a shortage that will quickly force prices higher. But for now we are advising our clients that paper should be the **same or perhaps even less expensive** as we finish out 2009. Print manufacturers are also forced to hold the line on pricing despite rising energy and benefit costs. So many good companies have been forced out of business that the universe of print providers is significantly smaller. There appears to be no end in sight to this trend.

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Survivor: Direct Marketer's Island

By Peter Stein

CGSM, Inc.

Welcome back to **SURVIVOR: Direct Marketer's Island.**



Last episode on the island covered the voting off of unqualified and unprofitable prospects and the necessity of cutting mail volume. While mailing to fewer prospects certainly will lead to decreasing marketing budgets, now is

not the time to abandon tried and true direct marketing techniques.

Now is the time to do something bold in your testing for the survival of your business.

It is a perfect time to aggressively test and learn valuable lessons for when the economy does return. Offers, such as premiums, price, new products, etc., should be tested aggressively. Be bold in testing your creative. Try out new messaging and new graphics that push the envelope. Again, keep in mind that you're gearing up for a big splash when the economy returns. A client of ours has carved out a healthy test budget for offers and new creative testing to gain valuable insight to use when its mail volume increases again.

Now is the time to test new channels.

Invest in new sources of revenue, whether new media channels or partnership opportunities. Insert Media, DRTV, Internet marketing, and social media are all channels that should be explored to gauge profitability and future viability. One traditional direct response client has engaged us to manage its social media strategy. Exploring a new channel during these tough economic times could lead to a huge opportunity to promote your brand as well as increase internet traffic, drive leads and build new revenue.

Now is the time to initiate and test new partnerships. Leverage all your relationships to create new sources of revenue opportunity. The internet is the land of opportunity and deals can be had on a performance basis. We are investigating a potential partnership for a client on a web site that promotes Green Living and is funded by major brand marketers. The cost of entry is low and the upside is tremendous.

Now is the time for the survival of the fittest and survival will come to those who are smart in their promotion creativity, able to successfully introduce new channels, and who develop low-risk, high-reward partnerships.

Peter Stein is **Director of Business Development** at Canterbury Graphics Strategic Marketing (www.CGSM.com); CGSM is a privately held direct-marketing agency specializing in the marketing strategy, design and production of direct marketing campaigns. Its media neutral approach and production skills combined with a focus on improved targeting make it possible for CGSM to offer a unique approach to customer acquisition and retention. For more information please visit www.cgsm.com Contact Peter at **203-529-4840** or peters@cgsm.com.



The Way I See It

Digital is Direct Marketing

By Mark Kolier

President, CGSM, Inc.

Much like many businesses have had to do during the great recession of 2008-2009, CGSM has also undergone changes in staff and outlook. Some of you are aware that CGSM took an equity position in an Internet Services company, **Tri-Media**, in September of 2008. This enabled us to offer a full suite of **interoperable (I love that word!) e-commerce modules** to our current and future clients. E-mail deployment, surveys, PURL marketing and website development and maintenance are just a few of the digital services that our clients have asked CGSM to help them with.

Of far greater significance might be the notion that now more than ever **being a digital marketing agency and a direct marketing agency at the same time is a perfect match.**

While newspapers, magazines, broadcast radio, television and cable continue to offer audience reach, direct and digital marketing meld together due to their inherent measurability. It seems the traditional marketing world has begun to see that light but we direct marketers have known that since the inception of the Internet itself (maybe just little after Al Gore).

Digital marketing is measurable in much the same way more traditional direct marketing (i.e. direct mail, insert media, DR TV spots) is measured. And it remains true that what gets measured gets done. Maybe now more than ever.

The integration of our **YourCover (www>YourCover.com)** business into the agency mindset has also been very rewarding and insightful. The learning we have brought to our other clients as a result of things we do with YourCover has made us a better agency and one that walks the walk as well as talks the talk! I see a time in the very near future where marketing agencies will be owners of multiple products and use those experiences to win new customers and carve out new niches for current ones.

As CGSM has evolved into a full service direct marketing agency the members of our team have had a crash course in digital technologies and how best to intertwine them with traditional direct marketing methods with which they are much more familiar. It has not been easy and I consider myself fortunate to have such a willing and dedicated team that has stood up to the challenge of learning all about the new products and skills being thrown their way.

What also has been refined is **our approach to how we manage our contribution to the many channels our clients utilize.**

We have some extremely capable partner associates that are far more expert in the area of media buying, broadcast video and radio production, as well as OOH (out of home). These partners are referred to CGSM clients that ask for help in those areas. I don't feel it is possible for our relatively small agency (we are still less than 20 people) to be expert in every available marketing channel.

But what CGSM does bring to the table is the ability to work seamlessly with our partners (and even if they are not our partners) to ensure that **our clients' marketing messages offer consistent messaging across all channels.**

At least that's the way I see it.





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Canterbury TABLES

Summer 2009

What's Been Going On at CGSM

In May, **Jill Clarke** joined our project management team to help with some of the new client engagements we have been involved with this year.

We are proud of our association with new clients like **EntitleDirect** (a terrific product offering the purchase of title insurance over the internet), and **Travel Guard** – an insurance product to protect your travel investment. More recently we have been awarded work from **1st Hour Communications** – a company that provides newsletters free of charge to more than 60 school districts around the United States – another great idea particularly in this difficult economic climate.

CGSM continues to add to its digital product modules by adding a social networking tool called **Shoutlet**. Combined with our e-mail, calendar survey, and PURL solutions we have a **full array** of e-commerce offerings in addition to our development and hosting of numerous websites.

Also recently completed and live is our site for **Litehouse Associates LLC**. They offer many services in home theater, conference audio-visual installation, lighting and whole-house and office integration using the latest technologies and techniques. www.litehouseassociates.com

Our work for **KickforNick.org** continues to be very rewarding. More than **22,000** soccer balls have been sent to our servicemen and servicewomen in Iraq and Afghanistan. They distribute the balls directly to children in these war torn areas.

Our **YourCover.com** unit has also been doing very well having set sales records in 4 of the past 5 months with new digitally downloadable products that supplement the printed offerings. It is quite an interesting challenge to own and market your own product but the learning we have acquired is invaluable to us and more importantly to our clients!

We had all the best intentions of having our **new CGSM website** live by the end of the Q1 2009. That did not happen as we were all too busy taking good care of the needs of our clients. Their projects cannot be late – our revised website can. Target now for launch is right after Labor Day. **Don't worry we will let you know!**

Finally – if you are receiving this newsletter for the first time and would prefer to **A)** receive the e-newsletter version only, **B)** receive the printed version only, **C)** receive both e-version and printed version or **D)** receive nothing at all – please send an email with your preference to info@cgs.com.

Happy Summer!



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