

Altman Dedicated Direct
STRATEGY... TACTICS... RESULTS

Diversified Prospecting – An idea whose time has come.

Diversification – it's the stuff that retirement and mutual fund portfolios are made of. But while few are familiar with the idea of diversified prospecting, it is as important and valuable a concept for your company's prospecting strategy and tactics as it is for one's retirement portfolio.

Within your retirement or mutual fund portfolio, diversification reduces risk by reducing the proportional amount of investment in any one stock, mutual fund, or other financial instrument. It is the execution of the expression "don't put too many eggs in one basket."

In your retirement portfolio, not having more than 10% of your retirement investment in any one stock ensures that if that stock experiences especially poor performance, your overall retirement goals won't be impacted too dramatically. Even if the stock itself has wild swings up and down, it can only impact 10% of your retirement fund.

Prospecting diversification achieves a very similar goal. If the only approach you have to successfully acquire new customers is through direct mail solo mailings, you have a decidedly undiversified prospecting strategy. In this example, if your direct mail program has any problem, you are up the proverbial creek without a paddle.

What can happen to your direct mail program? What if there is a postal worker strike? How about a big increase in paper prices? What if your key list rental source dries up? Or your direct mail creative flags and new creative attempts haven't worked to combat the fatigue in results you have experienced for 6 months to a year?

Every direct response marketing customer acquisition media and approach has risks from change both in the internal (originating within your firm) and external (originating from outside your firm) environment. You can certainly be vigilant to environmental changes and proactively combat negative impacts from within your firm, but there is no way to ward off every change with a potential negative impact. The best way to reduce your risk of negative impact due to internal or external changes is by diversifying your prospecting approach.

How do you diversify your prospecting approach? Get new knowledge and gain success in using new media approaches. For your situation it might mean learning how to acquire prospects via DRTV or radio spots. This might mean not only gaining proficiency in DRTV or radio media but also learning to utilize a lead generation approach instead of a direct sale approach. Maybe you can gain strong results through direct response print ads in magazines or newspapers. There are many ways to acquire customers, but until you learn the specifics for those new media, you haven't yet tried to figure out which are most likely to work for you; it's challenging at best and dangerous to profitability at worst, to actually execute a diversification strategy.

Beyond reducing risk, there are other benefits to diversification. The biggest benefit is being accessible at the moment of need when your prospect arises and in the way your prospect prefers a response. Every prospect has his or her own timetable for needing your product or service. It's always been the biggest challenge for direct response marketers – how do we ensure that the prospect is aware of us at the

853 Academy ST, Rural Hall, NC 27045-9329

Tel: (336) 969-9538

E-Mail: Saltman@AltmanDedicatedDirect.com

Fax: (336) 969-0187

Web: www.AltmanDedicatedDirect.com

Altman Dedicated Direct

STRATEGY... TACTICS... RESULTS

moment they are ready to buy? And how do we reach them in a medium that works for them? One of the best ways to do this is to have many ways to reach them.

Think of it this way. If you are that traditional direct mailer we mentioned initially, you try to locate prospects on rental, compiled, or other lists. But what if I'm new in the field and not on any lists? Or what if I eschew direct mail as "junk mail?" How about a print ad in a targeted publication? I may pick up on the new issue at the newsstand when I first start a new hobby, but I won't be on any hobbyist lists yet because I just started looking into a new hobby. But I can be found reading the hobbyist magazine. By diversifying from only mailing solo direct mail to also running ads in targeted magazines, you've given yourself a chance to locate me and there's a good chance you'll be doing that before your competitor finds me.

Diversification, therefore, lets you broaden the base of prospects you can reach. Some people shop online, others don't. Some business people read all their direct mail, some let their assistant throw most of it away before it gets to their desk, and so on. The bottom line is that your audience, be they consumer or business, comprises a wide range of individuals with different tastes and purchasing horizons; diversification gives you a better chance at reaching more of them effectively and before your competition does so.

What about maximizing use of different offers to reach a broader base of purchasing styles? Diversification can help there too. Let's take the example of an information marketer who has a basic "how to" book on a given topic that sells for \$25 and also a \$250 home study course on the same topic. Some of their prospects are fairly impulsive and just want to get the book, and get on their way. Other prospects want to study the potential purchase, consider all the angles and how much time and money they want to invest, and ultimately decide the \$250 home study course has better overall long term value to them.

This information marketer won't be able to use the same approaches to sell a \$25 book as a \$250 home study course. The \$25 book might be sold from an ad in an eNewsletter sent to a trade publisher's subscribers, while the \$250 home study course may require a magalog or an infomercial to provide sufficient selling points to convince a prospective buyer to part with \$250.

With the multitude of benefits that diversifying your prospecting strategy and tactics can have -- i.e. reducing the impact to your firm of internal and external environmental changes, broadening the audiences you can reach, reaching audiences through the channels and methods that appeal to them most and at the time they are actually in the market to make a purchase — how do you reach that diversification goal?

The first step is to gain the knowledge you need to evaluate all your prospecting options. Not every medium will work for every product or service or every corporate environment. Some corporations are slow to change, some have small budgets, some products are complex involved purchases, etc. The key is understanding the options and the unique characteristics of each medium and approach. Armed with this knowledge, you can prioritize your steps and make intelligent decisions about what approaches can work for your firm, your product or service, at this point in time.

853 Academy ST, Rural Hall, NC 27045-9329

Tel: (336) 969-9538

Fax: (336) 969-0187

E-Mail: Saltman@AltmanDedicatedDirect.com

Web: www.AltmanDedicatedDirect.com

Altman Dedicated Direct

STRATEGY... TACTICS... RESULTS

During the DMA's *Optimize Media Channels for Creative Prospecting* Seminar offered on March 4 – 5 in Chicago, Mark Lee and I provide you with the knowledge you need to start down the risk-reduced, expanded prospecting audience path that diversification provides. Click [here](#) to find out more and register to join us!

Shari Altman is President of Altman Dedicated Direct, a direct marketing consultancy specializing in customer acquisition, catalog, continuity, DRTV, and loyalty marketing. Prior to launching Altman Dedicated Direct in 1999, Shari spent over 20 years as director of marketing for major direct response marketers and catalogers. Ms. Altman can be reached at 336-969-9538, SAltman@AltmanDedicatedDirect.com or visit www.AltmanDedicatedDirect.com.

853 Academy ST, Rural Hall, NC 27045-9329

Tel: (336) 969-9538

Fax: (336) 969-0187

E-Mail: SAltman@AltmanDedicatedDirect.com

Web: www.AltmanDedicatedDirect.com