

Lessons Of The Post-Mass Marketing Age

By Jay Siff

Despite the seismic shifts that have hit the toy and gift business in recent years, many small, independent retailers don't realize the strong position in which they find themselves today.

Don't believe it? It's true. Because for the first time in perhaps eighty years, local merchants once again have the opportunity to forge personal—even intimate—relationships with their customers.

Let's look at how this return to personal customer relationships has taken place. In the Mass Marketing Age, which really hit its stride with the invention of radio and TV broadcasting in the mid-20th century, advertisers pursued faceless, one-way interaction with consumers. In fact, advertising messages were measured in what ad agencies called CPM, or cost per thousand (the Roman numeral M denoting thousands). The more gross advertising messages you could generate for a given dollar investment, the more effective your marketing.

Broad, shallow and slick—those were the watchwords of mass media advertising. Then in the late 1980's came the bombshell: the digital revolution. And marketing was never the same again.

The onset of modern technologies such as email, the Internet, and customer database programs changed the marketing playing field forever. Borrowing concepts from the direct marketing world and empowering them with an amazing ease of use, these new technologies have made it communicating with customers simpler, more immediate, more measurable, and less expensive than ever before.

For the independent toy and gift merchants who weathered the retail storm of the last 15 years, this maturation has opened incredible new opportunities. By leveraging these new tools, it's possible to not only capture local customers with exquisite efficiency, but also cement a retail relationship that is nearly impossible for mass marketers to break.

Let's compare how these two disciplines play themselves out in a key sales objective: obtaining new customers. The mass marketing approach ultimately depends on brand switching; that is, bombarding people who frequent your competition with messages, in hopes that someday they will want to try your store instead.

Trouble is, it may take years before these folks have the inclination to make the switch. The Post-Mass Marketer would ask, why waste marketing dollars in a scattershot effort to pry customers away from the other guy? Persuading a customer to switch from a business he or she has frequented over a long period of time is a difficult, costly, low ROI proposition.

Instead, new technologies make it easy to speak one-on-one with consumers who are not tethered by habit and inertia. In the United States today, large numbers of people relocate for many different reasons. “New movers”—people who are relocating from one geographical area to another—are a goldmine of market potential.

Research shows that new movers are 80% more likely to try new products and businesses during the first weeks and months following their relocation. In fact, the U.S. Postal Service has identified a “hyperspending” phase following a move, during which new residents spend \$7,100 on everything from refrigerators to takeout meals.

As Post-Mass Marketers, local toy and gift retailers realize they have the opportunity to create a relationship with these new residents. They can leverage their strengths—unique products, individualized customer service, and a genuine concern for the development of their customers’ children—to become a true “friend” amid the local retail scene.

To initiate this relationship, the key is to offer a “too-good-to-pass-up” offer: a gift certificate for *free* merchandise. Not a discount...not a “buy one, get one free” deal...but a true giveaway, paired with a personalized letter that welcomes the recipient to the community and outlines the store’s location and services.

A huge percentage of prospects respond to such an offer. Make sure that the customer’s first experience with your store is warm, welcoming and professional, and chances are excellent you will have won yourself a loyal, long-term patron.

Bringing in a new customer, however, is just one weapon in today’s Post-Mass Marketing arsenal. To make new resident gift certificates worth their cost, you need to keep customers coming back. You can do this by gathering email contact information from each customer, creating an electronic database, then offering specials that get those customers to return far faster than if you wait for the next birthday or holiday buying season.

Once you know who your customers are and how to reach them, it’s relatively easy to offer last minute or limited-time specials that generate visits. Let’s say it’s summertime and you’re having a slow month. Perhaps you arrange a special story hour featuring a popular new book for the children of your best customers. Combine this event with a 50% discount on the book series you’ll be reading from.

To promote the event, compose a short email that includes a certificate good for the discount. Hit “send” and soon you’ll have families in your door, ready to take home a book from the latest hit series.

Perhaps the best thing about these “new mover” and “loyal customer” strategies is that your customer database becomes the vehicle for establishing a measurable and definable return on investment. Thanks to your state-of-the-art approaches, you’ll not only know exactly what you’re spending, but also you’ll generate business at a lower cost-per-customer than anyone in your business area.

Small, independent toy stores are in a very special position today to recapture an age when customers knew their store owners by name, and loyally patronized them year after year. To achieve this goal, merchants must target the right prospect, spark genuine interest in the store's products and, once gained, keep those new customers coming back. The age of wide and shallow marketing is dead—but by embracing Post-Mass Marketing strategies, personal customer relationships can be very, very much alive.

About the Author

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