

Changes in “Electronic” Marketing Should Boost Direct Mail Printing

By Frederic G. Antoun, Esq.

Printers, just like their counterparts in other industries, have welcomed the new federal “Do Not Call” law that provides one website to opt out of telemarketing programs by adding your phone number to a nationwide list. This will help resolve a major business and personal annoyance – unwanted sales calls.

There has been a significant adverse reaction to the no-telemarketing list from direct marketing associations and direct marketers. Telemarketing is a successful, multi-billion dollar sales business, and it provides the sellers of products and services with an apparently cost-effective way to obtain sales. Direct mail is another way to bring in those sales. Telemarketers and printers often compete for the same sales/marketing dollars.

Two things are already happening as a result of the October 1, 2003 effective date of the no-call list (which already has millions of registrants who do not want the calls):

1. Consumers and businesses have reported an increase in unsolicited telephone calls in preparation to sell (call) as much as possible before the October 1 stop date; and
2. Anecdotal increases in direct marketing printing orders received in the last 30 days, with discussions of meaningful increases for the fourth quarter of this year.

At the same time that the government is trying to help us reduce the multi-billion dollar barrage of unsolicited telephone calls, an effort to reduce or limit email “spam” is underway in Washington, and at large ISPs like AOL and Microsoft. The federal government projects that, unless something is done, 40% of all email next year will be unsolicited spam.

Legitimate direct-market sellers of products and services now have links on their websites that the recipient can use to stop receiving those emails. Recent reports from two large email marketers indicate that, in increasing numbers, people are clicking on that link and notifying the company that they no longer wish to receive their direct-marketing advertising emails. While fly-by-night spam marketers only use these sites to confirm a good email address, and may never remove the recipient, legitimate sellers honor the customer’s request.

The bottom line is that there may be fewer email advertisements going to people likely to buy.

We have not yet seen any studies quantifying a volume increase for direct-mail printing as a direct result of reductions in telemarketing and spam marketing. While the reduction in telemarketing and spam planned for the future may not have a significant impact on direct-mail printing immediately, I expect it will over the next two years. That belief is based on the fact that several large companies which rely on direct marketing

are now talking to printing companies and mail consolidators about projects for the 2003 Christmas season and 2004.

Limitations on phone and email direct marketing, perhaps coupled with lower per-piece mailing costs being achieved by large providers, such as R.R. Donnelley Logistics, may make the outlook for direct-mail printing over the next several years brighter than we thought it would be only a few months ago.

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