



## New Clients Embrace DRTV as Sales Soar

### Digital platforms, economy and marketer demands for better ROI and pricing spur surge

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[-By Steve McClellan](#)

Mentos gum recently turned to DRTV for a major push.

**NEW YORK** When Coca-Cola first introduced its "My Coke Rewards" program in 2006, the global soft drink marketer used relatively little direct response TV advertising to peddle its products. But last year Coke significantly boosted its DRTV advertising to promote the rewards program, which steers consumers to a Web site where they can enter codes collected from purchased Coke products to exchange for free merchandise.

According to Rob Schmidt, a managing director at Halogen, the direct response unit within Publicis Groupe's MediaVest, client Coke has used a combination of traditional and DRTV ads to promote the program, "using a drive-to-Web strategy to create loyalty and continued use of the product."

Other buyers and sellers say that Coke is just one of many big brand marketers that for a variety of reasons has recently begun to spend more in the DRTV space, contributing to a 36 percent jump in DRTV spot spending to \$4.5 billion in 2007, according to TNS Media Intelligence.

The surge in DRTV advertising comes at a time when spending on traditional TV media is relatively flat, down about 2 percent in 2007 to approximately \$64 billion, per TNS, while rebounding slightly in the first quarter of 2008 with a gain of 2 percent. First-quarter DRTV spending continued to grow at a robust clip, up 19 percent from the same period a year ago.

Buyers and sellers cite several reasons for the upswing in DRTV advertising, including cost, measurability, accountability and higher engagement. They also note the growing number of response platforms beyond the traditional 1-800 number call center, including various Web destinations and mobile sites.

DRTV rates are on average about half the cost of traditional spots, buyers say. One trade-off: no audience guarantees. Also, sellers can preempt DR spots without notice if they get a better deal for the time.

"We look at DR as an indicator of demand levels for general market activity," said Rino Scanzoni, chief investment officer at WPP's GroupM. "There is an inverse relationship and there is some weakness clearly in the general TV marketplace." He said that a lot of the recent DR surge is "branded activity, clients buying it purely for tonnage."

But with digital technology providing consumers more control over their media usage, more marketers have concluded that new direct response techniques provide efficient ways to reach customers, said Mark Hodor, vp, direct response, Carat, Chicago. As interactive and VOD advertising options become more widespread, "response mechanisms will be integral to more ad campaigns and DR is well positioned to take data and link that back for what it means to the client's profitability," he said.

Increasingly, DRTV ads are directing consumers -- particularly younger target audiences -- to respond via SMS text codes. "That's how millennials engage with the world," said Gene Turner, vp, managing director and one of Horizon Media's direct re-sponse team leaders.

One vendor, TVi Media, is working with 5th Finger, an Australia-based mobile marketing and technology firm to develop a platform to link DRTV ads across multiple cell phone carriers, so that customers can place orders directly from their cell phones, said TVi president John Andariese. Currently many mobile responses involve a two-step process where a caller sends a text message to receive a callback or additional information from a marketer. "Mobile is emerging and pretty wide open," he said.

Web sites and e-commerce opportunities have attracted more mainstream retailers and packaged-goods marketers to DRTV, buyers said. Hodor cited Carat client Perfetti Van Melle USA, which turned to DRTV for a recent campaign designed to drive consumers to a Web site where they can upload pictures to put on personalized packages of Mentos gum.

"Clients are really starting to look at how people are interacting with brands via new technologies," said Hodor. He noted one retail client, who he declined to name for competitive reasons, that has made a big push into DRTV to drive customers to order products online.

Turner of Horizon says that a number of packaged-goods and retail clients are starting to mix both direct and traditional television into integrated campaigns. "A year ago DR wouldn't have been in the mix," he said. But with growing accountability pressures and tighter budgets, he added, "direct is increasingly seen as a solution because it is all measurable."

Andariese of New York-based TVi Media said several categories are driving growth in the direct TV sector, including prescription drugs, household appliances, furniture, toiletries, computer software and home office equipment.

And with marketers increasingly focused on costs in the recessionary economy, buyers and sellers alike don't see any near-term letup in the demand for DRTV.

"The Web has opened it up to a whole new spectrum of advertisers," said Halogen's Schmidt. "In the past there were call centers, fulfillment centers and other unique resources you needed for DRTV." But those resources are costly and many companies can't afford them, he notes. But now, "a lot of those barriers have come down."