



Tips to Choosing the Right Direct Response Partner

Taking on Direct Response Fulfillment? Here's what you should know.

FULLFILLMENT 101

Direct Response is unique from other distribution channels that you may have experience with. If you are a first-timer to DR, we recommend you seek support from partners with significant expertise in the industry. If you currently work with providers outside of DR, think twice before assuming they have the optimal tool set to support this highly nuanced playing field.

8 Ways That Direct Response is Different

- VOLUME SPIKES** Time of year, days of the week, and cost of media all factor into decisions of when and how much media to run, which then affect fulfillment demand. For some marketers, the weekend can generate as many orders to fill on Monday as the rest of the week combined. Further complicating matters, testing of variations to the creative can produce positive or negative results to volume. Not all providers have the ability to flex up & down effectively, which can result in delays and cost inefficiencies, which cost the marketer.
- FREQUENT CHANGES** DR Marketers change plans quickly to maximize their opportunities for cost efficient media, available product inventory, new offer configurations and even new pricing. Only fulfillment centers with proven experience handling these situations will ensure that your needs are met. Beware of promises that are not backed up by solid experience.
- INFO OVERLOAD** DR Marketers require and demand information in a timely manner. Lots of information. Spend time reviewing the standardized reporting offered. Do these reports meet your needs? Can you have 24/7 access? What types of report customization do you need? Is it possible with the provider you are dealing with? DR fulfillment operators have robust reporting systems that are likely to meet your needs.
- PCI COMPLIANCE** Protection and privacy of data are essential. DR fulfillment providers already offer PCI compliant systems. A fulfillment center that does not cater to DR may not have the proper certifications for your protection.
- CONTINUITY & INSTALLMENTS** Many DR programs run on a continuity model in which successive waves of product are shipped. Or the billing is in multiple stages. These programs are inherently more complicated than one would think. A regular fulfillment operator without experience in DR may feel that they can deliver on this, but the reality is far different.
- CUSTOMER CARE** DR campaigns typically require more customer service than other business models. DR creates many impulse purchases. The consumer also does not have the opportunity to touch the product before purchasing. Therefore, DR orders are subject to more buyers' remorse, cancellations and returns. A fulfillment operator who also offers customer service functions provides an integrated solution to your needs.
- RETURNS & REFURBISHMENT** Returns occur at a higher rate in DR campaigns. Many fulfillment centers are not set up to take returns, or at least the volume of returns that may occur. The fulfillment center must be able to handle large numbers of returns, and also rework and reprocess whatever is possible in order to save you money.
- RETAIL** Shipments to retail are an increasing function of the DR fulfillment center. More and more campaigns work their way into retail. The requirements for retail shipping are very complicated and require experience. Without this, onerous fines can be imposed by the retailers.

In summary, look for experience in the channel of business that you are operating in. Fulfillment centers that know how to work Direct Response campaigns, and are integrated with customer service & order management functions, are essential to a successful campaign.

LOCATION HELPS THE BOTTOM LINE

The majority of the U.S. population resides east of the Mississippi. In a national direct-to-consumer campaign you are closer to more customers if you're on the east coast. Why is this important? The closer the customers, the lower the transportation costs. The shorter the transit times, the happier the customers.

MAJORITY OF US CONSUMERS CAN BE REACHED IN 2 DAYS OR LESS BY SHIPPING GROUND FROM EAST COAST

*Per below Census data from 2015 www.census.gov/popclock/data_tables.php?component=growth

WEST

vs

EAST

- High Warehousing and Labor Costs
- *Only 24% of U.S. households in Mountain & Pacific Time Zones
- Unfavorable Income Tax (California)

- Low Warehousing and Labor Costs
- *76% of U.S. households in Central & Eastern Time Zones
- * Panama Canal Expansion Lowering Cost of Shipping to Eastern Ports

Talk to the experts in the industry. Experience matters when it comes to Direct Response and there is no one better to learn from than the ones who've seen all the mistakes you are looking to avoid.



Over time, selecting the right fulfillment partner can exceed the expectations of customers and bring real revenue to your business.