

Long-Distance Sales

The world of long-distance sales is fascinating and challenging, and it takes time to master all its dynamics and nuances.

It is necessary to be a little creative in order to prepare them, as well as rigorous with financial accounts; it is also necessary to statistically analyse results and deal with a myriad of suppliers: printers, couriers, consultants, warehousemen and so forth.

Long-distance sales were born in the days of the old west to bring goods to farms that were far away from towns; they have experienced an exponential growth in recent years thanks to the Internet and to globalization.

The fact that goods are delivered to one's home is and of itself a service for those who live in the countryside far away from towns, or for those who are in a big city and do not want to waste time in city traffic. Increasingly, however, there are products and deals that are only available online. Supermarkets too, which have always been seen as a distribution channel at odds with long-distance sales, nowadays allow people to do their shopping online and to have it delivered at home in agreed time slots.

In addition to the convenience of easily choosing from one's living room or from one's tablet on a train, **long-distance sales have always been associated with being**

cheaper, because they shorten the distribution chain between producer and consumer.

To make up for the lack of a personal relationship between customers and shop assistants (assuming that the "shop assistants of yesteryear" still exist) all kinds of conceivable techniques have been developed to create a one-to-one relationship; think, for example, about customized messages with name and surname, creative initiatives based on the contents of a marketing database - in particular the purchase history and the preferences stated by a consumer - and trigger marketing, which entails sending automated messages based on one's online patterns.

The trend is to combine one-to-one marketing with permission marketing, which is a technique that relies on seeking permission in order to build a relationship that, provided it continues, will end with a purchase. It is a matter of collecting, step by step, more and more data on leads, who will have to be incentivized to supply these data. When the profile and needs of a lead are clear, one can switch to a "customized" offer. Permission marketing is in contrast to mass marketing, which tends to interrupt people when, for example, an ad intrudes during a TV broadcast. Intrusive marketing creates a vicious circle whereby saturated people no longer pay attention to advertising, and therefore advertisers double advertising intrusions.

What is now called permission marketing and one-to-one marketing was already practiced in the 1980s in Italy by "Il Club degli Editori," which used lists of general consumers to offer popular books at bargain prices. Then, based on the frequency of purchases and the personal tastes of a reader, increasingly targeted and expensive suggestions were made, such as Time publications.

Back then it was already clear that a database full of information (purchase history, etc.) and a good list manager skilled in analysing and profiling were the keys for transforming a simple casual customer into a loyal and "spendthrift" customer. Now the challenge is being played around big data.

In order to improve sales the most sophisticated landing pages have the name of the XXX company followed by the name of a person such as: `companyname.com smith_john.html`. The page can be therefore adapted to the information on the list: in the case of a sports e-shopping website, men/women, clients of football/cycling products.

In order to understand long-distance sales in a professional manner it is necessary to speak about direct marketing, the set of techniques and channels for communicating with consumers.

E-mail marketing, mailing by posts, catalogues, tele-sales, SEMs, SEOs, social networks are all channels whose potential should be known about, in order to then adapt

them to specific products. Knowing the life cycle of a customer is the final and most important step in order to check tests and results.

For example, we often hear people say that the Internet is the only channel to follow, but if we analyse the behaviour of customers on this channel we find that they are the most disloyal customers, because they are often motivated primarily by the desire to find "rock bottom" prices online, the Internet being a channel that is perfectly suited for this purpose.

What is the key to success? It is learning how to use and master multichannel techniques, because it has been established that the customers of traditional stores are the best in terms of a company's margins. It is no coincidence that many companies adopt the Click & Mortar model, which combines online technology with traditional sales channels (stores).

We want to emphasize that the golden rule for every business is to always test and verify what is the most effective and suitable sales and communication channel.

There are reasonably solid data indicating that e-mail marketing is the best choice for tourism and end of stock offers. E-mail marketing is the only choice for those companies that are so "weak" financially that it is the only medium that they can afford.

What is certain is that the multi-channel approach is the winning choice! First of all, in order to communicate with customers and potential customers through their preferred medium, but also in order to intercept the large number of people who use two or more channels - such as, for example, people who receive a printed catalogue in the mail, browse it, and then buy online from the website.

Long-distance sales fit all retail categories but they do not work well for expensive assets, such as cars or houses; so, it is necessary to lower the commitment of a response, which thus becomes simply a request for more information, or a link to download PDF documents, or a request for a visit from a sales manager.

Permission marketing lowers the commitment of the response for almost any type of product because it involves establishing a relationship aimed at better understanding the consumer, until one-to-one marketing is achieved.

Those who are new to direct marketing techniques often ask what the minimum budget to start testing is. Well, generally 20,000 to 50,000 euros is the amount that is required. You can save money by investing only in digital, but this triggers a very low volume of responses, which perhaps does not justify all the preparation and the procedures for starting a long-distance sales business.

Here is our suggestion for those who wonder what the requisites for starting an e-commerce website are:

- a website needs to have a certain range and variety of products that can be compared with each other or with the competition.
- respect of promises is essential, above all the timeframe for the delivery of the goods.
- the design of a website contributes to its success.
- a website, as well as being "beautiful", should also be interactive, with intuitive and quick controls and menus.
- the ability to deliver customized offers is indispensable, as is the ability to target.
- customers should be kept informed, made loyal, and assisted.
- respect for privacy is a principle that is becoming more and more widespread and the customer/consumer is sensitive about this issue.
- social clubs should be encouraged and monitored since word of mouth is essential for growth.

For certain, some "pieces of the puzzle", such as logistics, can be outsourced to external services, but always making sure that deliveries are made quickly, given that each day of delay increases the rate of uncollected parcels that are returned to sender.

In the recruiting phase, the economic indicator to assess a new customer is the CPO (Cost Per Order) - that is, how much has been spent on average to obtain a new customer.

Customers must be tested and analysed by: recruitment channel, source list, offer with which they were recruited, promotions sent, and so forth. The assessments made will reveal what has been and what is the best communication strategy to follow.

Bear in mind that a client must be assessed on the present, but above all in terms of the orders they will make in the future. Without this premise, one does not get anywhere, given that the CPO on external lists is usually negative.

Having started off a long-distance sales business, it is essential to measure the average lifespan of customers, establishing how many times they make orders and for what amounts - in other words, it is necessary to measure the profit each customer generates.

The performance indexes of those recruited will then be broken down and compared by channel, offer and list. Only then will the assessment be complete, so that the most profitable "marketing mix" can be gauged.

In order to lengthen the lifespan of a customer (life time value) it is necessary to talk about customer loyalty. Direct marketing techniques are ideal when our goal is to secure customer loyalty. So, value must be given to consumers, but how? A "rich" mail posting makes consumers feel important and valued, and they therefore will be more loyal - for example, by sending a catalogue to a customer who was recruited from the Internet. Of course, there is not only this, but also loyalty cards, the sending of e-mail

offers, and most importantly, it is necessary to customize outbound (phone calls from business to consumer) and inbound (calls from consumer to business) communications.

We mention the extreme case whereby "the cleverest ones", following complaint calls to a call centre are able to even win back the trust of a customer and generate cross-selling operations i.e. sales of products/services similar or related to the first purchase that was made.

From the example of the telephone operator who transforms a complaint phone call into an order, one can understand how all the pieces that make up the puzzle of long-distance sales should be managed by professionals. Avoid any improvisation, given that a "puzzle" does not come together if one or more pieces have been placed badly.

Long-distance sales are done in a professional manner if one uses statistical techniques to measure the return provided by channels, marketing and communications variables, and so on.

It has always been said that the future trend is for long-distance sales to become an alternative distribution channel to supermarkets.

However, this boundary is thin because many chains communicate individually and directly with consumers in order to generate traffic towards the store.

The merchandise is not always delivered to people's homes: across the world, neighbourhood delivery points

are becoming more common, because they allow for the collection of goods in time slots that are more comfortable for consumers. In conclusion, the world of distribution is constantly changing, the categories and generalizations of the past no longer exist, and players from all over the world are appearing every day.