



Huge postage costs and daily price changes has led PC World Business to turn to the web By Peter Crush

Paper becomes pixels

The PC World at their nearest retail park is about as close as most people get to the complicated business of buying a home computer and peripherals. For the vast majority of consumers, software and hardware decisions are so infrequent that they are far happier knowing they've got the right RAM and bytes than they are in knowing they've saved a couple of quid on the overall price.

And yet, for a entirely different tranche of people, PC World must be their ongoing and dependable friend, capable of telling them at a moment's notice the unit price of a box of toner cartridge, as if their lives depended on it. These are the legions of small and medium-sized enterprises (SMEs) for whom buying PC equipment is an ongoing cost. One in five SMEs buy from PC World, and here, value for money is an absolute necessity.

For this group of customers there is PC World Business, an offshoot of the retail store, and for whom a completely different BTL approach is needed for its marketing – one which in the last few years has been undergoing significant change. Leading it has been marketing director Richard Millman, who, since 2002, has slowly been moving one of its largest planks of direct marketing (catalogues) from mail over to email through email marketing agency Interactive Marketing.

"We are the largest supplier of PC and hardware services, but the cornerstone of our direct marketing has always been our definitive 'Buyers Guide Catalogue'," he says. "It's sent out three times a year, all 800 pages of it." With the catalogue, a monthly newsletter to some customers and a weekly or offer-led piece to selected targets, a whopping 42 per cent of his entire DM budget in 2002 was spent on postage alone.

That was when he realised things had to change. "We used to look at our deals of the week and mail en masse to the database on a Friday, but response was always up for debate," he says.

It was from this that e-alerts began in 2002 to replace the weekly newsletters. Not only was this decision

VITAL STATISTICS

Name PC World Business
Group Dixons Group
Turnover £191m (2003), up 11 per cent on 2002
Agency Interactive Marketing

BUSINESS BUYERS GUIDE

Welcome to PC World Business

ON THE SPOT

Richard Millman,
marketing director,
PC World Business

Do you open all your direct mail?
Yes, I'm fascinated by creative approaches in direct mail. Given the current growth in volume you have to work ever smarter to deliver cut-through and customer response.

What do you tell people you do at parties?
Depends on the party – normally that I head up the marketing of a growing IT company.

If you could send anyone some DM, what would it be, and to whom would you send it?
My old form teacher would receive a graphic summary of my life and achievements to date, as I have proved all the predictions wrong by now.

What one piece of advice would you give when embarking on a DM campaign?
Get the strategy and execution right. A well executed strategy will always yield results, but a poorly thought through strategy never does.

a price of postage issue, but a pricing issue in terms of updating what the RRP items in the catalogues actually sold for. "I think we're fairly unique in that our total direct marketing policy has had to be driven around the fact that we carry 40,000 items, and the prices of these can change on a daily basis. By sending out mail catalogues we just couldn't keep pace with these price changes."

The culmination of this has been the launch at the beginning of the year of its first ever e-brochure, which constantly updates the prices of more than 30,000 items and can either be downloaded by SMEs, or is sent to people who don't get the 800-page printed version, or as a link in follow-up emails to other direct marketing campaigns. The audience totals approximately 85,000 regular customers, and for new customers who automatically get an web link rather than the printed brochure, Millman is talking about the "phenomenally low cost" of acquisition figures.

"The e-brochure won't replace the printed edition yet, but it is designed to have the same look and feel, with customers even being able to turn virtual pages over, just as they would the pages of the real thing," he says.

"What it will also enable us to do is send out communications at a more tactical level," says Millman. Increasingly, more and more customers are buying directly online – this now represents 15 per cent of all its sales, a growth of five per cent a year – so migrating people away from a paper to a web-based one, and then the buying website itself is vital.

At the moment PC World Business is able to see what pages people are looking at from email weblinks, and Millman says that he is confident that in six to nine months' time, both he and customers will be ready to act more intelligently. "This means being able to recognise that a SME has bought x packs of toner, and that at a certain date they will run out, and an email could be sent with the e-brochure link reminding them to stock up again."