

DIRECT MARKETING

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THE ART & SCIENCE OF PREDICTABLE MARKETING

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Leaping over the physical/digital divide

Phygital marketing and the iKyp make their Canadian debut *By: Sarah O'Connor*



Members of the Kyp Canada team, from left to right: David Phillips, Account Director; Greg Geralde, CFO; Svetlana Burmatova, Account Director; Dr. John Reeves, Managing Partner

Imagine a device that can break through mailbox clutter, engage the consumer with high-value, personalized visuals, and include seamless, automated digital integration through a web key that users simply plug into their USB ports and then sit back while a customized webpage launches. Best of all, it's highly measurable, even in real time.

Enter the iKyp, a new direct marketing solution that integrates physical and digital in exciting new ways, while enhancing user experience and instantly generating rich data.

Kyp Canada is unveiling the iKyp at a time when more and more direct marketers are regarding online and offline media as complimentary rather than contradictory forces, with "integration" emerging as a buzzword of choice for the

industry. After all, the prospect of leveraging the familiarity and proven track record of print against the seemingly limitless potential of the digital frontier is irresistibly appealing.

"One of the fundamental issues with direct marketing is; how does it live and coexist with what's available online?" says Warren Eddy, CEO of Kyp Canada. "How does conventional direct mail stay current when online content and real time content are moving so quickly? On the other side, how do we retain a lot of the merits that reside in traditional direct marketing in terms of business planning and strategy?"

These questions must have been on the

minds of the group that founded Kyp in London, England in 2005. Over the past five years Kyp has grown into an international company based in London, New York and San Francisco and that also operates in Turkey, Germany and China. This fall, Kyp Canada launched in Toronto.

Kyp was founded on the belief that modern consumers want messages that are succinct, permission-based, portable, and that engage them. At the same time, human beings are hardwired to want to

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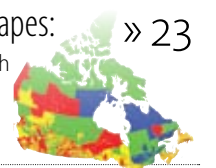
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editor's letter

Sarah O'Connor

A quick glance through this month's issue should make one thing perfectly clear: print is here to stay.

Rather than slowly fading away as the direst predictions suggested, the printing industry is alive and thriving. Technological breakthroughs continue to expand our notions of what's possible when combining ink and paper; while increasingly sustainable environmental practices let us have it all.

At the same time, the digital revolution shows no signs of slowing down. Just

the other day my sister-in-law and I were laughing about how she's asking for her first iPod this Christmas. Even our venerable publisher, Mark Henry, has recently been spotted with his first smartphone. It seems resistance is futile for the would-be luddite.

Personally, I love the convenience of using email for work, the up-to-the-minute information available on news sites, and the way that social media makes it so easy to stay in touch with friends near and far. Online activities are a significant and highly valued part of my life but, at the same time, there's still nothing like curling up with a good book or receiving a hand-written letter in the mail. In my life

paper and print happily coexist alongside my smartphone and laptop, and I wouldn't have it any other way.

After experimenting with different ratios of offline and online communications over the past decade or so, today's leading direct marketers appreciate the synergy of employing one with the other, rather than either or, more than ever before.

That's why we're celebrating print performers in this month's issue. Our cover story explores "phygital" marketing, a clever new way to bridge the gap between the physical and the digital. It was a real treat to sit down with Warren, John and David at the Kyp Canada headquarters and speculate about how

their new product might revolutionize the industry, and I look forward to seeing what's possible as the iKyp flexes its muscles on Canadian soil.

I also had the opportunity to speak with David Engel about the fascinating work that Innovative Graphics is doing in the world of dimensional mail. David's keen understanding of both the needs of modern marketers and the complex mechanics of the printing process is truly awe-inspiring.

And don't forget to hang onto the Annual Wall Chart of Printers because, as we can all appreciate, in today's marketplace you just can't afford not to have a good printer on your side.

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directives

Warren Storey

Direct mail: Counted out by cynics, counted on by consumers

jour – abandonment in favour of the lure and hipness of social media.

To get to the truth of the matter, Epsilon Targeting's ICOM division conducted a survey of 2,569 U.S. households and 2,209 Canadian households, including a cross section of consumers ranging in age from 18 to 55+ years old. This 2010 study examined preferences in regard to the ever-expanding array of communications channels for the delivery of marketing information, offers and promotions.

A fair characterization of the message that came back from the source that really matters, the consumer, is this: direct mail most certainly is not dead; rather it is an increasingly viable and effective channel to reach and engage purchasing decision-makers in North American households.

The research results confirm the proliferation of channel choices that characterize today's marketplace. Consumers are indeed using multiple sources to gather information: from blogs to company websites; from mobile to email; from friends and family to mail. But how this translates into decision-making is a very different story. Savvy marketers

know that preference and trust come into play. They know they need to identify the combination or balance of channels that not only aligns with their consumer group's preference, but also capitalizes on the core competency of the channel itself.

Take social media. Consumers view this is a personal space, a place to keep in touch with family and friends, reconnect with old school chums, or simply share their lives. Can marketers co-exist in this arena? The answer is yes, but perhaps not right now or perhaps in a very different way than they are accustomed to. Marketers will need to be invited to sit at the table and join the conversation, rather than simply pulling up a chair and taking over.

On the other hand, we have channels that have proven themselves both to marketers and consumers alike – mail, newspapers, radio and even television. According to the survey of U.S. and Canadian consumer channel preferences, the strategically correct combination of channels likely includes direct mail and other offline options, despite the misguided notion by some that offline is no longer effective.

This may seem counterintuitive. In this age of technology, with everyone so connected, would consumers not want to receive information via email versus mail? Mobile versus TV? Social media versus radio?

Perhaps that's not the right question – after all, the U.S. and Canadian research doesn't indicate that consumers are against any one channel – instead it points clearly to how they want to be communicated with, including which channel and why. For instance, when we look at the travel category, consumers have indicated strongly they prefer online communications – email and internet. The truth is there are key factors at play in terms of preference, the most important being trust.

Consumers stated loud and clear that information is more private if sent through the mail versus email or online. In a similar vein, they feel strongly that a lot of online information can't be trusted, and, in fact, consumers in both nations trust information received by mail more than online.

It is for this reason – trust – that mail needs to be included in the channel mix, and possibly in the direct centre of the mix.

Trust, as it turns out, is not the only reason consumers have a strong preference for mail. Survey takers also indicated they feel valued when they receive mail. And they said mail is more convenient and easy to use.

On the flip side, those with a preference

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Consumers stated loud and clear that information is more private if sent through the mail versus email or online. They also feel strongly that a lot of online information can't be trusted, and they trust information received by mail more than online.

Coming in the
December issue of
Direct Marketing

Best of the best campaigns

We share our top five favourite Canadian direct marketing efforts of the past year

Newsmaker of the year

Find out who or what managed to turn the most heads over the past 12 months

CMA and NAMMU awards

Check out our full listing of all the honourees, plus a closer look at the big winners

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THE ANALYTICS ADVISOR

by Jan Kestle

The power of variable messaging in print

One-to-one marketing has never been as easy as it is today. With digital media, targeting often means that the offer, message and creative can all be customized based on a prospect's predicted or actual lifestyle, attitude and purchase behavior. Email marketing, digital advertising and website customization all add value to marketing programs in large part because they are economical to implement (if done well) and therefore result in a positive ROI.

But let's not forget about print. According to Canada Post, two-thirds of Canadians prefer advertising communications by mail over other media channels. Despite the buzz about social media and mobile advertising, innovative companies continue to find success using print at the heart of a direct marketing campaign.

Today's printers can vary messaging

and content like never before. They can define research based segments and targets with detailed personas – and media preferences – so that a campaign can include different media and different offers for different segments. In our haste to adopt new media and digital programs, we marketers sometimes forget that print still works, particularly if it's well done. And well done doesn't necessarily mean expensive.

To create a successful variable-data printing campaign, a marketer should first ask several questions:

- Are the recipients properly targeted? There are large subsets of the population who open direct mail, read newspapers and respond to flyers. Have you found them?
- Is the message relevant to your audience? The maxim "it's not junk mail

if it's something I'm interested in" still holds true. Getting the message and creative to resonate with the recipient is essential, and it can be done using psychographic data that is linked to distribution areas.

- Is the print piece environmentally friendly? Many consumers care about the impact of print marketing on the environment. Using recycled paper and identifying the best potential areas to mail will reduce the quantity of your mail and make your campaign more effective.
- Is your print message consistent with your message delivered through other media? Some of the most effective uses of direct mail we've seen recently are those in which the pieces are themed to match websites, outdoor boards, TV ads, radio spots and email campaigns. To

break through the clutter, a marketing campaign must target its message and offer by segment across multiple touchpoints in a way that ensures the prospect or customer has a consistent experience of your brand.

Who does what in making this happen? Today, the roles are changing for a number of players: internal marketing and advertising departments; traditional, direct marketing and digital agencies; researchers; printers; and distributors.

In some cases, there is more fragmentation in the creation of a variable printing campaign; in others, suppliers are getting into the act, resulting in overlapping responsibilities. What's important is that all players work in an integrated way to ensure that there are no disconnects from concept to execution. Printers and distributors who work

together with sophisticated research and targeting providers can help ensure that your campaigns will be effective.

The key to success is finding best-of-breed providers in each functional area and then providing the necessary management to make good use of their respective expertise. It wouldn't make sense to ask my company, an analytics provider, to print or distribute your flyers or direct mail pieces. Similarly, you might want to think twice before buying analytics from a printer. But working together, your agencies, printers and distributors can make sure that your segmentation and targeting research is leveraged effectively.

Jan Kestle is the president and founder of Environics Analytics, which specializes in segmentation, site modeling and custom analytics.

Unlocking the potential of full colour printing



BY KEVIN MCKAY

As marketers look for ways to expand their reach and increase the effectiveness of their campaigns, they are increasingly turning to targeted direct marketing, to the extent that direct marketing

is quickly becoming one of the largest growth areas in the industry. The trend towards targeted direct marketing is in large part due to generally low response rates to traditional black and white or static direct marketing outreach, as well as improvements in Customer Relationship Management (CRM) tools that allow for better, more accurate targeting and personalization. There have also been

technological advances that make the use of colour in direct marketing campaigns more feasible and widely affordable. In fact, the full colour direct marketing segment alone is forecast to grow by 25% over the next five years. Full colour, personalized direct mail is expected to reach 12 billion pages in the U.S. this year and more than double to 26 billion pages by 2013.

The power of full personalization

The proven effectiveness of personalized direct marketing materials is what's driving the upward trend and growth in this space. With personalized direct marketing pieces businesses have experienced impressive results – including up to 36% higher response rates, 54% lower cost per response, and a near 93% increase in sales,

on average.

Where traditional direct mail has a response rate of one to two percent, adding personalization as well as full colour to a direct marketing campaign can make the response rate jump to seven or eight percent. With these additions, the business implications for the direct marketing industry are significant, with increased performance ultimately improving bottom lines. Capitalizing on increased response rates made possible through the addition of personalization and variable colour simply makes good business sense.

Tailored, eye-catching marketing pieces are important but should never come at the expense of brand identity. The power of full colour personalization extends beyond increased response rates. Marketers are increasingly looking for colour in direct marketing and will need to satisfy brand guidelines to ensure their corporate colours are printed to exact specifications. As a print service provider, being able to meet these requirements results will lead to loyal customers and repeat business, while highlighting the importance of working with vendors who use high-quality inks and media capable of hitting your client's brand colours exactly.

Game changing pricing

In addition to increasing response rates, marketers want to work with digital print service providers capable of applying the powerful technology that has led to a new economic model for direct mail. By offering increasingly dynamic, relevant and individualized pieces that generate higher response rates, digital print service providers are delivering significant value. By using a single print process,

which reduces waste and simplifies management, they are able to lower costs and share the savings with their customers.

New tools and technology

The key to developing high-impact direct marketing materials is using the right tools and technology, like variable data printing (VDP) and personalized URLs, to create truly personalized materials without compromising print quality.

One of the most effective tools for personalization is variable data printing. VDP is a form of on-demand printing in which elements such as text, graphics and image personalization can be automatically changed from one printed piece to the next, saving direct marketers time and money by streamlining the printing process.

In addition to VDP, personalized URL technology is also contributing to the headway made by direct marketing through the creation of a unique web address for each direct mail recipient. Personalized URLs add a personal touch to communications and can be used to tailor content to individual clients, thereby allowing marketers to focus their message while learning more about the needs of current and prospective customers.

But the benefits of VDP and personalized URLs can only take direct marketers so far as customized marketing collateral is only half the battle. Good data is at the heart of any campaign and improvements to CRM tools have allowed direct market-

Trend Alert

Trans-promo marketing is a growing trend in direct marketing that merges transactional printing and promotional marketing. It enables the use of customer data to print and mail personalized, full-colour marketing messages within transactional documents. Financial statements like cable and utility bills literally open the door to the marketing message, changing the statement from a cost element to a potential revenue generator.

ers to be more targeted and strategic.

Print quality is still king

With the dawn of new technology like VDP and personalized URLs and the improvements of old standards like CRM, the business potential for direct marketing today is limitless. While customization is important, it should never overshadow the power of outstanding print quality. The efforts behind a targeted campaign will always fall short of expectations if the final product fails to make an impression on consumers. Integrating these new technologies with full colour personalization helps build better campaigns and even better response rates. The projected growth for the industry puts to rest many fears that web-based marketing will overshadow personalized direct mail.

Kevin McKay is Marketing Manager, Graphic Solutions Business, for HP Canada.

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The full colour direct marketing segment is forecast to grow by 25% over the next five years.



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learn about the outside world through touch and physical exploration.

Kyp's answer to this dilemma: Phygital marketing, the connective tissue between the physical world and the digital realm. The iKyp is an expression of this concept, offering the best of both worlds – a digital component that satisfies our desire for timely, convenient, meaningful information, plus physical packaging that is both intriguing and accessible. iKyp's USB port makes the transition from physical to digital virtually seamless (pun intended); users simply plug the device into their desktop, laptop or smartphone and the destination site launches immediately.

"Even the little smart tabs that help make it easier, the process, the digital applications that are involved in this, the patents that are involved in this, have all been thought out for the direct marketing process," says David Phillips, account director.

While a web-based call to action might rely on the user to type in a specific web address or turn to a search engine for help, situations where the consumer can become frustrated, disengage or stumble upon competing messages, the iKyp eliminates these risks by automating the process.

"In today's environment, I think that what is happening from a behaviour point of view is that people are less likely, in their complex personal world, to start keying in web addresses and this sort of thing," says Eddy. "By bridging it with this idea of connective tissue via the web key, what we're doing is automating a function and meeting the consumer more on their terms."

"When you're sending someone to the internet, you want to control the experience and continue your relationship with them," says Dr. John Reeves, managing partner. "Search is a failure in establishing a physical relationship that you now send to digital. We're failing in our

customer pathway if they go into search."

The second half of the equation, and the part most likely to excite direct marketers, is that, because each iKyp is uniquely tagged, a tremendous amount of information is flowing into databases as consumers enjoy their elegant, intuitive brand experience.

"In today's environment people are less likely, in their complex personal world, to start keying in web addresses and this sort of thing. By bridging it with this idea of connective tissue via the web key, what we're doing is automating a function and meeting the consumer more on their terms."



Direct marketers have the opportunity to discover, in real time, who exactly they are dealing with. Who responds, how deeply they stop; it's all available, allowing for previously unprecedented degrees of targeting and precision. Suddenly ROI is just the beginning when evaluating the relative success of a particular campaign.

The fun part now is to begin speculating on the various executions clever marketers will dream up now that Kyp Canada is open for

business and how the data generated by these campaigns will inform the ideas and innovations of tomorrow.

"It's always been a debate about the cost of retention and the cost of acquisition and the quality of the dialogue that you can have with the consumer," says Eddy. "We see that there is remarkable potential on the loyalty, retention and acquisition side because of [the iKyp's] high perceived value. I'm envisioning that through the use of this device you can create all sorts of rewards and incentives in a highly customized environment with a highly tactile device.

"What would a great consumer relationship look like if that same behaviour was happening in automotive or consumer goods? It's a pretty exciting time, and this is groundbreaking from the point of view of harmonizing with what's taking place online."

New technologies maximize ROI By Jamie Klemcke

With the growth of social media and online marketing, some marketers might argue that traditional mailings are no longer an effective way to market to prospects. But I contend that abandoning direct mail right now would mean that you miss out on some of the most effective and cutting-edge prospecting strategies today. In fact, I believe that direct mail is more important than ever for launching a multi-channel direct marketing effort—especially when it leverages digital media and innovative marketing technologies. Today's direct mail can be a cost effective way to target prospects, collect valuable lead data and measure campaign performance in real time.

Direct mail campaigns now are vastly different from the days of huge mailings that were sent to every known address in a zip code. Advances in the printing industry have streamlined the direct mail process, making it easy to present each targeted recipient with a unique and highly relevant message. Additionally, innovative digital technologies now make it possible

to pinpoint specific prospects based on demographics, launch direct mail touches based on event triggers, and capture real-time response metrics in order to determine immediate ROI.

Let's take a look at some of these technologies and explore how they can enhance your integrated marketing campaigns, ultimately leading to improved ROI tracking.

Personalization and variable data printing

Marketers have been using personalization in direct marketing for years now. Personalization, however, is much more than addressing a recipient by their first name. Today, personalization implies that a marketing communication piece delivers not only a personalized greeting, but also customized images, messages, and offers for each recipient, enabling the piece to not just capture the recipient's attention, but to back it up with content relevant to that unique prospect. The more a client knows about each recipient, the

better they can target individuals, creating offers that are uniquely relevant, thus establishing more of a connection with the customer or potential customer that can improve conversion throughout the sales pipeline.

Of course, it's easy to decide that each recipient should receive an offer and creative that is uniquely targeted to them but, prior to the development of variable data printing, the cost of producing pieces customized for each individual recipient was simply too high. Today, digital printing allows the use of variable data in the production process that gives marketers the ability to personalize printed marketing messages for each individual recipient at a lower price point.

Technically speaking, variable data printing (VDP) is a form of on-demand printing in which elements such as text, graphics and images may be altered from piece to piece without slowing down the printing process. By using information from a client's database, each direct mail piece can have specific fields based

upon previous behaviors or information that a potential client has provided in person or via the web. Examples include a personal salutation, an image of a product they've previously purchased, a unique promotional code tied to that specific individual, a personalized URL, quick response code or custom text-in mobile code.

It is also important to note that variable data printing is powerful in testing marketing materials before rolling out a full campaign. In short, VDP provides the flexibility to test marketing materials using short print runs, and then to adjust messaging and creative as needed.

Unique codes

In addition to improving response rates by featuring customized offers, variable data printing makes it possible to implement a variety of tracking methodologies to easily measure responses at the individual level. At the simplest level, each recipient can be assigned a unique code to respond to their offer. For example, a postcard could

provide a 20% discount on a product purchase and require entry of a discount code during the checkout process. If the code is unique to each recipient, it is remarkably easy to determine which recipients have responded to that offer.

Personalized URLs (PURLs)

A PURL is a domain name, usually containing the recipient's first and last name, that takes that person to a personalized landing page. These URLs function similarly to unique codes in that they drive a responder to a unique URL which has been created specifically for that individual. The resulting landing page can potentially be a response form that has been pre-populated with information already obtained about that individual. Such information may include, for example, name, address and account number. Since pre-populating forms generally leads to better completion rates, offering a PURL can improve a campaign's ROI. Landing pages associated with each

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Pushing the boundaries of what's possible

David Engel and the Innovative Graphics Group help agencies and printers do more *by Sarah O'Connor*

Breaking through the clutter requires thinking outside the box and constantly pushing the boundaries of what's possible in the direct mail arena. David Engel, president of Innovative Graphics Group, is helping agencies keep coming up with new and exciting ways to capture consumers' attention, faster and while minimizing costs.

"What we are is a marketing services organization with a particular niche in terms of researching new technologies, trends within the industries, combining technologies to bring direct marketers new ideas and formats that increase response rates or decrease costs and, especially in this marketplace, get people to market much quicker," explains Engel. "Over the last 15 years we've developed a methodology by which we work with marketers to understand their needs and to develop ideas that satisfy those needs."

As well as working closely with agencies,

Innovative Graphics also aligns themselves with suppliers in order to help them leverage their existing equipment and use it in new and useful ways.

"We really partner with our suppliers," says Engel. "In some cases we'll say to them, we've developed this envelope, for example, which nobody else can do. Why don't you go out and you could sell it to your clients? We actually show them how to develop product to increase their sales."

There is no question that Innovative Graphics holds a fairly unique position in the marketplace. Engel's vast technical know-how combined with his keen understanding of the direct mail marketplace is what gives Innovative Graphic's clients an edge.

"I've been in the direct marketing business for over 30 years and I know a lot of people within the industry here," says Engel. "We've always had this niche of understand-



The Innovative Graphics team. Top Row, left to right: Adam Wood, Art & Design Manager; Lisa Labute, Production Manager; David Engel, President & Chief Executive Officer; Paul Martinez, Director of Print Production. Bottom Row, left to right: Daniel Engel, Sales Representative; Tina Engel-Erlich, Sales Representative; Lolly Pereira, Executive Assistant & Office Manager

ing equipment and because we develop ideas and people understand that's our position in the marketplace, they will come to us and ask us for different things."

▶ *Pushing boundaries continued on page 18*

The new ROI: Return on Interactive

BY CHRIS BROWN

More than ever before, getting the greatest impact from each element of your multifaceted marketing campaigns is crucial to increasing sales and conversions. Smart marketers have discovered that one of the most effective ways of standing out and being noticed right out of the box is packaging your message in a unique, interactive carrier. The effectiveness of offering more intrigue than the traditional direct mail package has been demonstrated again and again because, after all, capturing the customer's attention is really the whole point.

At Dimensional Products, we are always looking for new and improved ways to help our clients stand out from the crowd. Our patented interactive direct mail carriers average between three to six percent and, in many cases, deliver an even higher response rate. Follow up call centre activity among campaign recipients also indicates that consumers who received the mailing had a much higher recall of the interactive piece than the traditional mail that came through their door.

Despite these great results, one factor that has limited the role of interactive mail as a component of a communication campaign has been the inability to personalize the inside of an interactive piece. Thanks to new technologies, that is no longer an issue. Marketers can now extend their relationship with their

customers by personalizing the inside of their interactive direct mail.

What about the cost? Well, postage is postage. If you want to take advantage of the proven success of personalized direct mail, you'll pay the same for a number 10 envelope with your letter and coupon as you do for an interactive piece. Typically, an interactive piece is mailed out using third class postage, which is the same cost as mailing out a postcard.

Automation is also leveling the playing field. Hand assembly has its place in low volume mailings but when quantities grow so do time and costs, making these pieces less desirable for many marketers. Three-dimensional or interactive mail has, in years past, typically been dismissed as a viable option based upon perceived cost. That's why over our years in the business we've put a lot of effort into developing unique and patented in-line manufacturing processes. In-line manufacturing provides a faster turnaround and the ability to meet budgets and deadlines that rival the time to produce a traditional direct mail campaign, but with far greater results.

Finally, strong solutions are most often achieved as a result of early collaboration with the client. Often this results in the development of new products. When Astral Media wanted to promote their series *Dexter*, we were approached to design a product that would highlight the duality of the character. We were

able to create a unique piece that gave the recipient the option of going in two directions that satisfied the duality request. The customer chose a side to open that revealed a different theme, yet gave the same message.

The holy grail of marketing is the capture of a consumer profile and spending habits. More and more clients are talking about using interactive mail products to drive consumers to their websites and social media properties to achieve this aim. Others are using an interactive carrier tipped inside of their traditional mailings such as a replacement for a long used bill insert. The postal costs are the same so they're taking advantage of inside interactive products to promote special offers and promotions.

But the key for marketers and interactive direct mail agencies will be the ongoing pursuit of in-line manufacturing processes that allow dimensional mailings to reach the masses and in turn, effectively get their message noticed.

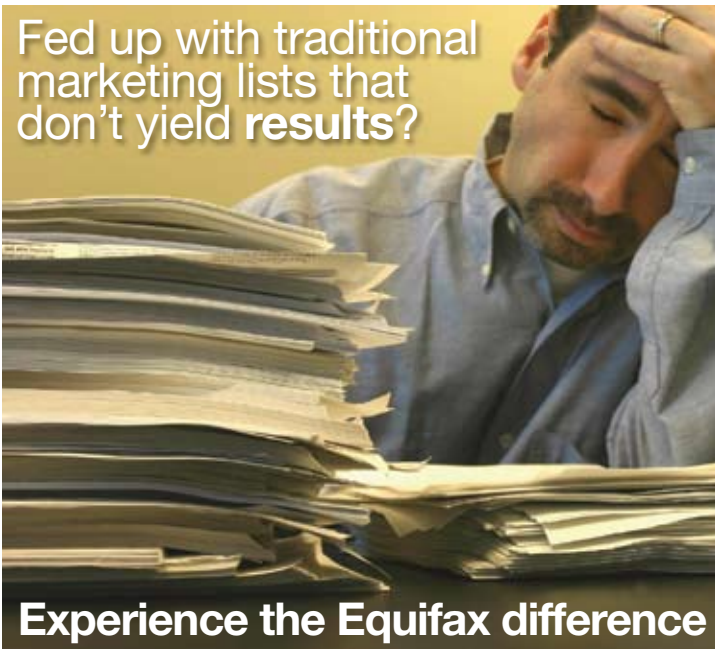
So, what does the future hold for dimensional direct mail? Keep checking your mailbox to find out!

Chris Brown is Director of Sales for Dimensional Products, an award-winning Canadian paper engineering company located in Toronto, Ontario. For further info visit www.dimensionalproducts.ca or call 905-947-8199.

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Targeted messaging for targeted solutions

Digital Cement and Travelex help clients solve problems they didn't even know they had *By Kim Hughes*

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Campaign: The Patent Law Vertical Campaign

Account/Creative Team:
Allan Dougall
Elizabeth Sellors
Erin Gray
Andrei Babichuk
Rob Gendron
Lisa D'Innocenzo
Mike Glombitza
Damir Lutvic
Kelly Bouzane

A recent initiative executed by Toronto-based agency Digital Cement for UK-based Travelex – billed as the world's foreign exchange company – is a master class in precision. Targeting 300-odd individuals responsible for making financial decisions within Canadian patent law firms doing business internationally, including CFOs, controllers and the like, the campaign was not only hyper-segmented but actually sold its targeted touch points on a service many may not have even recognized they needed. What's more, that strategically sent piece of mail became the springboard for a fully integrated, multi-media campaign that included follow-up phone calls by Canadian Travelex salespeople conversant in patent law ephemera, display ads in legal trade publications and on relevant websites, even face-to-face communication at small-scale but highly targeted offline trade events in British Columbia and Quebec attended by legal professionals.

Three separate pieces of creative were crafted by Digital Cement for the DM campaign showing skylines in Toronto, Ottawa and Vancouver juxtaposed against famous foreign landmarks and designed in both French and English, each trumpeting Travelex's explicit offer: "We

make foreign business feel less foreign."

"What we're selling to financial decision makers within law firms is the ability to reduce the risk associated with foreign exchange payments," offers Debbie Brown, Travelex's Global VP, Marketing. "Typically, law firms are dealing with legal agents or other offices of their own firms around the world. And as they are invoicing each other and sending payments from one to another they are incurring or are exposed to a foreign exchange risk. Quite often they are not aware of this when they are doing their billing and trying to reconcile their accounts.

"So Travelex helps them to mitigate the risk or reduce the risk associated with that foreign exchange exposure so they can better predict the costs to their business and ensure they are billing people correctly in the first place."

Brown continues: "Certainly the big international law firms are aware of their foreign exchange exposure and maybe have systems in place to manage that. But average law firms may not have realized this is something that is impacting their bottom line that they can do something about and instantly make a difference. So we really do hope there is an 'aha!' moment when this piece of mail lands on

their desks."

That's a key point echoed by Allan Dougall, Digital Cement's VP Strategy. "The thing about this was, Travelex wanted to identify what the pain point was for people involved in these sorts of transactions, then offer a way to alleviate it. The message is simple: we are not going to solve all your money and time problems but hey, there is this one thing with your business that drives a lot of pain and frustration and cost for you that we can take away."

From a creative standpoint, the hyper-segmentation of the campaign also presented a distinctive challenge: the communication had to capture the mindset and attention of a financial decision-maker within a Canadian patent law firm, a rather elite target unlikely to be shooting the breeze with just anyone at Starbucks.

Luckily for Digital Cement, Travelex had some previous learning at hand they could use as a launch point. "Travelex had a couple of legal clients in the U.S. who were similarly targeted so they had some case studies working with the administrators

and CFOs as to why this service is so valuable to them," says Elizabeth Sellors, Digital Cement's Group Account Director.

Sellors adds that while Digital Cement had worked with Travelex in the past, this outing found the two players coming together in a rather circuitous – and serendipitous – way. "It was kind of meant to be I guess," she says. "But of all the clients I have worked with, these guys are really educated on their targets. So they've worked very closely with us to ensure we get their business and their target customer."

"That was a key for us, to understand how best to approach this, how to write this, who we were targeting and how to go to market with it. And it is very much about finance and efficiency: if you use Travelex's product, you can reduce head-count and streamline your business process. The real objective was to get in-market and start testing to see who we can bring in."

While the ultimate success of the campaign is still to-be-determined – it had just hit market at time of writing – Travelex's Brown feels confident that it's

going to be a winner and a benchmark for future initiatives.

"This is the launch of Travelex's legal vertical in Canada," she says. "And I am looking at this as something that can quite easily transition into a U.S. campaign as well. That would really be our next move. This campaign is unique in that the multi-media and multi-channel aspects of it are probably bigger than anything we've done before in this particular sector."

"We want to be highly relevant to the people we're talking to so we've created a campaign that's very, very targeted and we will be making the most of that contact. We'll be touching those individuals through a number of different channels."

"And if that individual isn't quite ready to opt into the buying process now, we have the means to keep in contact with them over a period of time. We want to keep nurturing that contact until such time as they are ready to contact us."

Kimberly Hughes is a freelance writer and editor and can be reached at khughes84@hotmail.com.

REGIONAL REPORT: Calgary

Who we met with:

The Frequent Flyer Bonuses Group

Founded by Patrick Sojka in 2005 as an offshoot of RewardsCanada.ca, the Frequent Flyer Bonuses Group is a conglomeration of websites that help frequent travellers maximize the miles and points on earning activities.

Xentel DM Inc.

Together with U.S.-based partner Xentel, Inc., Xentel DM offers a one-stop source for integrated benefit event planning, marketing and production services. With 30 offices and over 300 clients, Xentel produces more than 250 events in Canada and the United States every year.

Anduro Marketing

A professional internet marketing firm, Anduro Marketing offers tailored products and services including search engine optimization, pay-per-click management and social media campaigns to help clients maximize their online marketing potential.

Watermark Advertising

Specializing in corporate identity, branding, strategy, design and media, Watermark Advertising's core mission is to create compelling communications that bring brands to market, on time, on budget.

Sandbox Marketing Communications

Passionate about purpose-driven marketing, Sandbox Marketing Communications assists a wide variety of partners establish their marketing intentions, define what success will look like for them, and implement solutions to achieve their desired results.

BY SARAH O'CONNOR

It's no secret that over the past decade Calgary, Alberta has experienced huge growth, transforming into a bustling metropolis before our very eyes. The local direct marketing industry has kept pace with the rest of the city and expanded rapidly.

Unfortunately, what goes up has a tendency to come down, and Calgary has suffered along with the rest of the country through the downturn of the past several years. Many of the direct marketing service providers that sprung up during the boom have been hit particularly hard and today competition is fierce throughout the city.

"We tend to be very influenced by the economics of oil and gas, because it's such a big part of our backyard," explains Shelly Carter, Director of Sales and Marketing for Sandbox Marketing Communications. "There can be really big highs and lows with the type of business that's flowing through this province.

"Thank goodness for our retail sector business, because that kept it pretty steady. But if corporate business was our core business, we wouldn't have been able to stay in business. There were a lot of little agencies that had to close their doors, or scale back from let's say 20 employees down to just five or two. It's a competitive market for sure."

While many of the companies we visited with mentioned interest in working with clients outside city limits, most said that the bulk of their clients are based locally.

"Most of our clients are here," says Matt Olah, Vice President Business Development for Anduro Marketing. "You know, the painting guys, renovators, lawyers, we had a pet food company that we worked with for a while. And some of our kind of marquee clients like Sysco, Utel, are Dell are international, I guess, if you count the States as being international. H&R Block, they're local actually."

"We've been in the Calgary market for 28 years, and the lion share of our revenues today would really fall into retail, financial services, and home development, like homebuilders and community builders," says Chris Kneeland, President of Watermark Advertising. "It has been nice riding the wave as Calgary has been growing exponentially. Mark's Work Warehouse is a client of ours, and they're Calgary based. They're probably one of the largest companies operating here in the city. They're an \$800 million retailer, 385 stores across the country."

"There are a few people here that

definitely like to work with me," says Patrick Sojka, CEO and founder of The Frequent Flyer Bonuses Group. "There's a good base of frequent flyers out of Calgary who know I'm here. I've met with them. We go out for drinks and stuff like that, and they'll come and they go to the website, and they book all their stuff through the website. I can't pinpoint a percentage, but there's definitely a little bit from the Calgary market that helps us out.

When it comes to promoting your Calgary-based business, a good reputation and the positive word of mouth that goes along with it is always an advantage, but so is sticking with what you know best.

"We're a direct marketing company, so we direct market our services," says Len Wolstenholme, Donor Development, Xentel DM Inc. "There's a certain consistency between what we want our clients to buy and what we do ourselves. We tend not to be marketing in a conventional sense our own services."

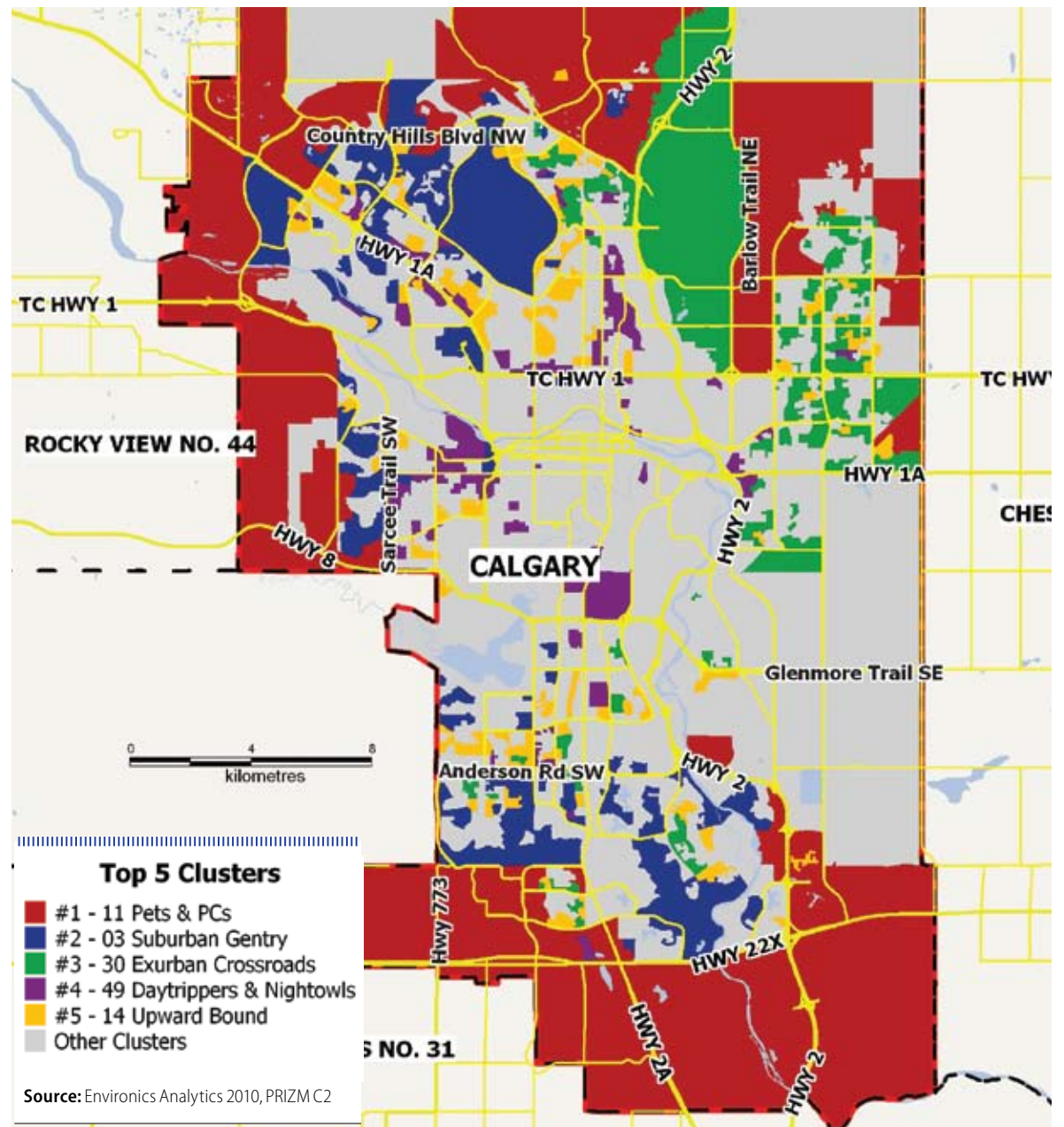
Despite the competitive nature of Calgary's direct marketing industry, there are many advantages to doing business here. For example, with a fast-growing population comes in influx of qualified, skilled workers.

"I recently hired a mid-level account manager and a head of my interactive development and design group," says Kneeland. "In both cases I had dozens of resumes and candidates to consider. I was actually pleasantly surprised at the calibre of talent that was local. There were some people that I had considered relocating from Vancouver or Toronto, but I didn't find it necessary."

Wolstenholme, agrees: "My understanding is that we've generally found Calgary to be a good place for recruiting, though that's true of other cities as well."

There is also something to be said for being the biggest city between the Rocky Mountains and the Great Lakes.

"I have been told that there are physical and psychological barriers between the mountains to the west, with B.C. people wanting to stay with B.C. shops, and the centre of the universe mentality of Toronto," acknowledges Kneeland. "I think I have a huge advantage as it is related to proximity, in two regards. One, being in Calgary gives me access to the middle provinces and there are a lot of legitimate Fortune 500 kind of companies that reside in these areas. I'm also really encouraged to leverage my U.S. network as U.S. companies are seeking to grow



and Canada is such an easy international growth place as opposed to trying to enter Europe or South America. Our new business activities will focus heavily on those three provinces here, as well as U.S. companies that want to do business in Canada."

Despite the many advantages to doing business in Calgary, there are still some hurdles that need to be overcome in the process of seeking out new business.

"It's a lot of cold calling, a lot of word-of-mouth, too. It is difficult, and being based in Calgary makes it a little more difficult," says Sojka.

"Definitely some of the challenges in the Calgary market that we find are that, because there are so many head offices out East, it's difficult for our agency in the West to kind of get a foothold on more strategic marketing initiatives," confirms Carter. "If I was based in Toronto I could be in New York in an hour and a half, whereas

here, for me to get to New York it's four and a half hours. It's harder to set up even just day trips to meet with some of these companies. My budget for trying to get to new companies is not big, so I have to watch what I spend there."

So what's on the horizon in big sky country?

"I think it's going to continue to be very challenging," says Carter. "Those of us that

are willing to really think outside of the box strategically on how they can reposition themselves, and really think about how they can make themselves unique in the marketplace, are the ones that will come out ahead of the game.

"I think that focus, and really trying to narrow down your unique positioning, is going to be key to survival in this market for sure."

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Integrated fundraising: More than the sum of its parts

Three proven strategies for executing dynamic and engaging fundraising campaigns *By Claire Kerr*



Building a truly integrated fundraising campaign can seem like an insurmountable challenge for charities and nonprofits. Many organizations are siloed, tasking a direct marketing department for print communications pieces and a separate web department for online projects. . . . But never the twain shall meet?

Other campaigns focus on only one form of engagement, planning entire projects around Twitter or a national newspaper ad. Unfortunately, donors don't label themselves as "social media supporters" or "traditional media supporters."

Some of the most vibrant and successful fundraising campaigns have leveraged both the offline and online world. Here are three best practices from charities that are reaching out to their donors wherever they live.

Yes, you can move offline donors online!

The Terry Fox Foundation is one of Canada's most beloved grassroots organizations. The signature Terry Fox Run is hosted on the second Sunday after Labour Day in locations all across Canada. This year's 30th anniversary run was held September 19th.

Participants in the run were able to raise money through personal fundraising web pages or by submitting paper pledge forms along with cash and cheques.

Most Canadians are familiar with the idea of a pledge form. We understand how to fill it out and send it back in. It wouldn't make sense to abruptly retire pledge forms in favour of a purely digital platform.

Terry Fox Foundation did two things to help their runners understand why online donations are important to the organization. First, they placed specific content on

their pledge forms and website to explain: "Every donation made online saves The Terry Fox Foundation 80 cents in administrative costs – helping to keep 87 cents of every dollar raised going to cancer research. The savings are significant. Please use this pledge sheet to complement your online efforts."

Canadians are happy to modify a method of giving when it's explained why it helps a charity. With 72% of Canadian donors having already made a donation online this year, the trend is only growing.

Secondly, the Terry Fox Foundation recognized that not every supporter will understand how to fundraise online. This year's Run created a YouTube video to show supporters how to register on the website. Each step was carefully recorded and explained. The universal popularity of YouTube makes for an inexpensive and accessible method of introducing new tools to veteran participants.

Moving offline tasks online saves charities money, but it's not the only benefit. The average donation made online is higher than the average donation made by phone or mail.

Even digital campaigns should plan for an offline future

One of the most unique fundraisers of 2010 was the Melbourne Royal Children's Hospital Foundation's Everest Challenge for cystic fibrosis research. In this digital campaign, teams of 15 registered to "pretty much" climb Mount Everest.

Participants were equipped with pedometers to track their steps and encouraged to fundraise to earn prizes at various incentive levels. A team could virtually ascend to the top of Mount Everest by entering steps on the website and moving up the flash-animated mountain. Eventually, the team's combined steps would equal 2.1 million – the number

► *Fundraising continued on page 18*

Mixing segmentation with behavioural marketing for fundraising success

How The Princess Margaret Hospital Foundation enhanced its direct mail program with lifestyle-based targeting *By Peter Baker*

Marketers love loyalty—especially when it involves customers who wouldn't think of buying a car from another dealer or donors who regularly write cheques to support a favourite cause. Loyal customers and donors provide a reliable revenue stream, produce high profit margins and generate new supporters with their enthusiastic referrals. And as any market researcher will tell you, retention—maintaining a solid relationship with the people who know you best—is always cheaper than acquisition.

But with the economy still sputtering and the non-profit field as crowded as ever, charitable organizations face a challenging market even when making appeals to regular donors. Last spring, The Princess Margaret Hospital Foundation faced that very scenario when it prepared to launch a direct marketing campaign to solicit donations for Canada's largest cancer research hospital. The goal of the annual appeal was to raise money for new medical equipment by soliciting active donors and those who'd given before but not in the current year. Although the foundation had already segmented its supporters based on their giving history—those who'd given more than \$1,000, from \$500 to \$1,000, between \$250 and \$500, and under \$250—its marketing team wanted to know if lifestyle-based segmentation could enhance their response rate.

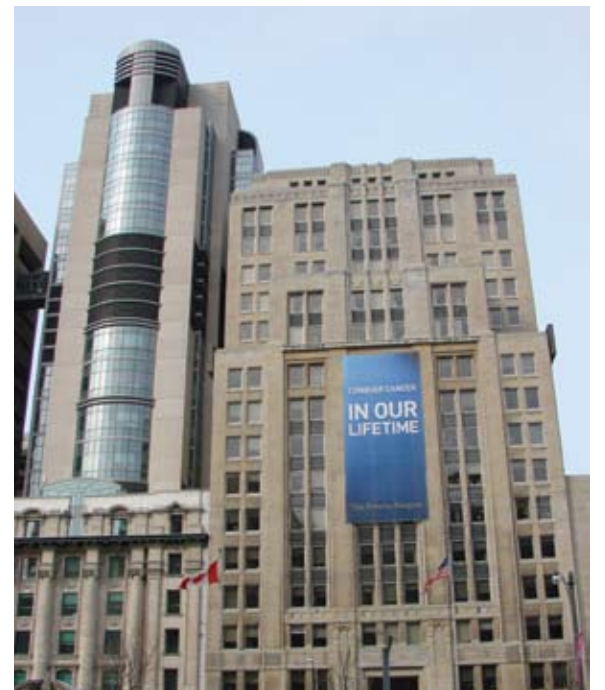
Princess Margaret Hospital Foundation's Community Giving department was already acquainted with segmentation. Since 2007, it has been profiling its donors using PRIZM_{C2}, the segmentation system from Environics Analytics that classifies Canadians into 66 distinct lifestyle types based on demographics and psychographic values. The system allows fundraisers to develop a deeper understanding of contributors by linking their six-digit postal codes to a vast array of neighbourhood-level information—from favourite leisure activities and media use to donation behaviour. By classifying a donor database with PRIZM_{C2} segments, a charity can determine its most valuable contributors, develop profitable target groups and then customize their marketing and messaging to those most likely to respond to an appeal.

The fundraising team launched this year's new equipment campaign by conducting a PRIZM_{C2} analysis of its best donors—known as Princess Margaret's Inner Circle—who'd contributed more than \$1,000 in the past. The analytics showed that the highest concentration of these donors resided in a handful of segments with names like Cosmopolitan Elite (very wealthy middle-aged and older families), Urbane Villagers (wealthy, middle-aged urban sophisticates), Young Digerati (younger, upscale urban trendsetters) and Electric Avenues (young, middle-class urban singles and couples). While it's not surprising that the most affluent Canadians were among the most generous givers to Princess Margaret Hospital, the presence of relatively young contributors is unusual for a not-for-profit.

"There's something about Princess Margaret Hospital that attracts donors of many different backgrounds," explains Laura Moretti, Associate Director of Community Giving at The Princess Margaret Hospital Foundation. "It could be that there's a personal connection between the hospital and donor, of having been treated here or knowing someone who was. Or it could be that these younger and hipper groups appreciate that we're at the forefront of medicine as one of the top five cancer research centres in the world."

In June, the foundation dispatched 4,000 mail packages to a list reflecting the four distinct donor groups: members of the Inner Circle who'd already made large donations; High Value Donors who'd given between \$500 and \$1,000; Corporate Givers who'd made contributions of various sizes; and Environics Prospects, which consisted of 1,000 donors pulled randomly from all the different donor groups as long as they were classified among the four best-performing PRIZM_{C2} segments in the Inner Circle group. The pitch packages featured personalized letters with variable copy targeted to the four behavioural groups.

But as the donation envelopes came in, the foundation's fundraising team noticed some unusual results. While the High Value Donors yielded the highest response rate, 7.95 percent, the Environics Prospects group based on the best PRIZM_{C2} segments



The Princess Margaret Hospital Foundation supports the largest cancer research hospital in Canada and one of the top five cancer research centres in the world.

came in second with 7.2 percent, surpassing both the Inner Circle (5.12 percent return) and Corporate Givers (3.73 percent). Just as significant, the average gift amount from the Environics Prospects again ranked second among all the groups. Regardless of how much they'd given in the past, the top PRIZM_{C2} segments averaged \$206 for the spring solicitation—well ahead of the Corporate Givers (\$131) and High Value Donors (\$191). Only the generous members of the Inner Circle donated more, averaging \$508.

"The results validated our use of PRIZM_{C2} profiles to select appropriate clusters from our database for higher value giving," says Zak Bailey, Associate Director of Leadership Giving at the Princess Margaret Hospital Foundation. "If we can get more money out of a blind group of donors, looking at their lifestyle profile rather than their giving behaviour alone, it signals that lifestyle-based segmentation can be even more effective than just using behaviour alone."

Although the foundation was pleased with the recent results, it doesn't plan to rest on its laurels. This year, Bailey's leadership giving team plans to launch an Inner Circle acquisition campaign using the over-indexing PRIZM_{C2} segments to reach high-value prospects in the community. While the previous mailing used variable messages based on recipients' giving history, Bailey plans to develop new messaging based on the lifestyle and social value profiles of the prospects' PRIZM_{C2} segments—"to speak their language," he says.

"One of the lessons we've learned is that segmenting really works in the non-profit sector," Bailey continues. "For a big mailer like us, a transactional database is only one side of the picture of who our donors are. The value of a tool like PRIZM_{C2} is that it can provide an added layer of information about what our donors are like and how they think. It marries the two pieces together so you can do things tactically with your direct mail program. It's really the best of both worlds."

Ultimately, foundation managers Bailey and Moretti hope that the segmentation approach will not only help strengthen The Princess Margaret Hospital's relationship with existing donors but improve its ability to acquire new ones as well. By using segmentation to connect with donors when the economy is ailing, the foundation hopes to be well positioned to capitalize on a loyal donor base when a healthier economy returns. After all, loyalty knows no market conditions.

Peter Baker is Vice President and Practice Leader, overseeing the fundraising, municipal government and library sectors at Environics Analytics.



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Myth or Fact: The diminishing marginal returns of variable creation in data mining solutions

BY RICHARD BOIRE

Data mining practitioners will tell you that the much of the real value of their work is the ability to derive and create new variables from the source information within a database or file. For example, the calculation of averages or totals related to a specific timeframe or period represents information that is going to be derived in a database and is unlikely to be directly extracted from source information. Other good examples include postal area variables based on the first digit of the postal code. Although this might seem pretty basic, it is not uncommon to have derived variables comprise over 90% of the information within an analytical exercise. From the data analyst perspective, there are no limits to the number of derived variables that can be created. The limitation in variable creation is only confined to the imagination of the analyst or practitioner.

Obviously, creating variables and adding new information in theory should provide incremental benefit to any data mining solution. But as with any exercise or project, there are diminishing returns as one begins to explore the many possibilities and permutations that exist within variable creation. In this article, we will attempt to address this issue in the interest of determining whether it provides business benefit to a given data mining solution. Specifically, we will explore the impact of exploding the number of variables versus our traditional techniques of variable creation.

The traditional techniques of variable creation

Our traditional techniques of variable creation attempt to yield insights by looking at creating variables in the following fashion:

- Binary variables (yes/no outcome which represents the occurrence of some activity or event)
- Average/median or sum of variable
- Index/ordinal variables whereby variable outcomes and values are placed into ranked groups. For example, age might be grouped into three outcomes with one being under 30 years, two being 31-50, and three being 51+
- Change/velocity variables whereby variables are created that look at how behaviour has changed over time

Across these four areas, it is not unusual to discover that the analyst has created hundreds of variables for a given analytical exercise. But are there other transformations that we should consider when building solutions? The notion of looking at a whole new suite of additional variables is that this potential new information can provide incremental benefit to a given solution. In our research we looked at predictive models that were built using our traditional approach of variable creation as mentioned above.

Exploding the number of variables

We then looked at additional approaches which would explode the number of variables in our analytical file. Further mathematical transformations were employed which consisted of the following:

- Log transformation
- Square root transformation
- Sine transformation
- Cosine transformation
- Tangent Transformations

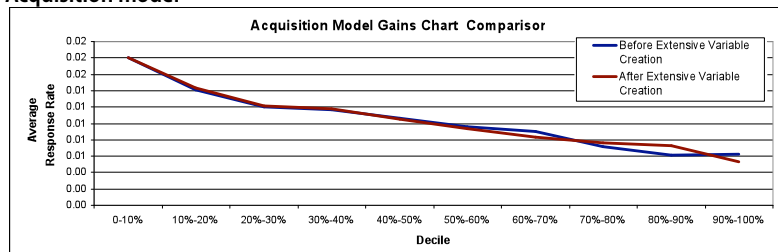
We also looked at combining pairs of top variables that were significant within the correlation analysis of the given predictive model. A good example of this would be age and gender where we can actually capture the impact of age and gender together and observe their impact on the modeled behaviour. In the variable pair routines, we attempted to look at all possible combinations. If there are 20 variables that are derived using the traditional approach, then the potential number of possible variable pairs is $190(20 \times 19)/2$.

Both these transformations (mathematical and pairs) dramatically increase the number of variables. The number of variables increased to 100 using the mathematical transformations (5×20) and 190 (as seen above) for the possible number of variable pair transformations. In this simple exercise, 20 variables using the traditional approach now explodes to $310(20 + 100 + 190)$.

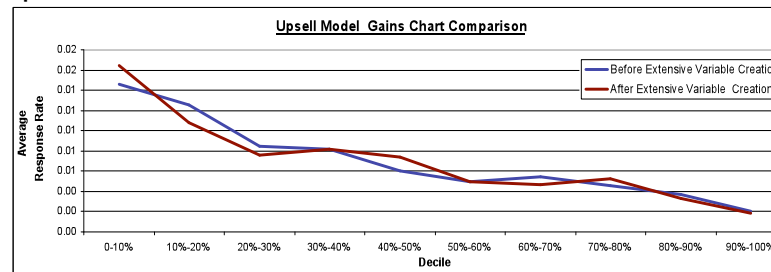
Business cases to demonstrate the point

The challenge, though, in this type of exercise is to determine if there is a real business benefit in exploding the number of variables from 20 to 310. Our approach in identifying this benefit was to look at models that were developed prior to this variable creation explosion and compare them to models that were developed after this variable explosion. Four models were looked at that were built by our company:

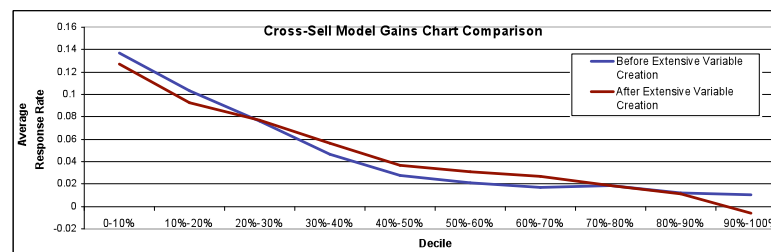
Acquisition model



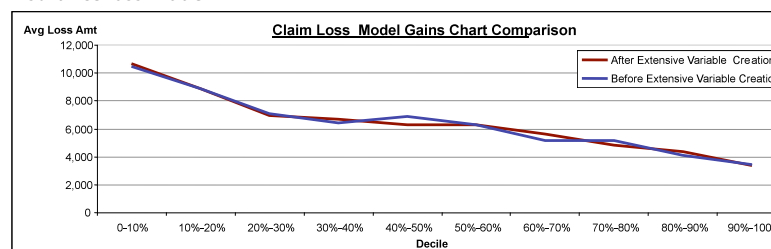
Up-sell model



Cross-sell model



Insurance loss model



The charts for each of these four models represent decile or gains chart reports where a sample of names is sorted by the model score into 10 deciles with decile one representing the top model score and decile 10 the bottom model score. The deciles are recorded on the x-axis and the observed model behaviour is plotted on the y-axis. As discussed in previous articles, a good model represents one where the line is quite steep and trending downward from decile one to decile 10. Our results from these four models indicate that the lines or plots are virtually identical for models before and after the variable explosion. There is no tendency to have a more downward slope (better model) with the explosion in variables. This would indicate that there is no significant business benefit to increasing the number of variables using mathematical transformations or creating potential variable pairs.

But besides looking at the numbers and results, we may still want a more fuller understanding of why these results occur. Let's look at variable creation in each of its stages.

Considering demographic variables

The first stage actually represents the source information or variables that are not manipulated by the analyst. Good examples of this are tenure, income, household size, etc. This information is extremely useful as it captures the basic demographics of the individual.

The subsequent stages all comprise derived variables. For now, we are going to focus on stages that deal with the following:

- Grouping of variables
- Calculating basic arithmetic diagnostics (mean, median, standard deviation, min. and max.)
- Calculating change variables

Grouping of variable values

This stage looks at variables that represent the grouping of values into categories. A good example of this is postal code where postal codes are grouped into regions (i.e. all postal codes beginning with the first digit 'M' represent Toronto postal codes). Other examples might represent the grouping of specific product types or service codes into much broader product or service categories.

Calculating basic arithmetic diagnostics (total, mean, median, standard deviation, min. and max.)

This stage deals with the ability to summarize numerical information into a meaningful metric. However, it is only meaningful if we have historical information that can be used to calculate these kinds of diagnostics. For example, if we are calculating the average spend or the variation in spend, the question we must address is what timeframe are we looking at? Is the average or variation based on six months, 12 months, etc.?

Calculating change variables

Extending this logic of using historical information, we may want to identify how summarized behaviour changes over time. Has spending or product purchase behaviour

changed over a period of time? Has it changed drastically over the last three months, over the last six months, etc.?

Perspective on the traditional approach to variable creation

In all these stages, key information is being produced that uniquely explains the desired modeled behaviour. Let's probe or explore this thinking in more detail.

The source-level information in many cases yields demographic information such as age or the tenure of a customer which as we all know have represented key variables within a given model at one time or another. Grouping of values such as postal codes into regions can demonstrate more meaningful insight when attempting to look at geography in a broader manner. Arithmetic diagnostics look at how summarized behaviour regarding key metrics can add value to a desired modeled behaviour. We all have seen examples of summarized metrics such as total products purchased or average spend as key variables within models.

The diagnostic type variables differ from source variables in that source variables look at information at a point in time while diagnostics look at information over a period of time. Meanwhile, the change type variables add another dimension in that we are looking at how this summarized behaviour changes over time. Each of these stages, demographics, point in time variables from the source data, summarized data from calculating basic diagnostics, and change variables from the summarized data represent unique ways of looking at the information. Because of these different unique perspectives, models typically incorporate variables from each of these perspectives.

Extensive variable creation

By providing some rationalization that the creation of variables using the traditional approach adds significant value to the modeling process, one may begin to ask whether a more extensive process can continue to add value to the process. From our charts and tables, it appears that this more extensive expansion of variable creation provides minimal value to any model. The results are indicating that there is no real additional information which is unique and which can provide additional benefit to the model solution. It is our contention that unique views of information represent the real nuggets which add value to a data mining solution.

What does this mean going forward?

Considering that variable creation can be the most laborious part of any data mining exercise, these kind of findings can provide some direction in how the analyst should best focus his or her time in any data mining project. Given the time pressures that analysts and practitioners face from business users, analysts can better focus their variable creation efforts and build solutions that are both timely and optimal.

Email marketing snapshot

Scoring with some of Canada's biggest sports and leisure enthusiasts *By Lara Barlow*



Xiao Nan Yu and Jiri Jelínek in Onegin
Photo by Aleksandar Antonijević

If you like travelling, then there's a good chance you'll also have a pretty serious appetite for other leisure activities ranging from sporting events to ballet to film festivals. This is certainly the case with the more than 1.2 million Canadians who we are proud to count as Travelzoo Canada subscribers.

As a global online media company with more than 21 million subscribers in North America, Europe, and Asia Pacific, and 20 offices worldwide, Travelzoo publishes deals from more than 2,000 travel and entertainment companies. Our primary vehicle for delivering deals to our subscribers is our weekly Travelzoo Top 20™ email newsletter, where every deal is researched, evaluated, tested and verified to ensure our Canadian subscribers are getting the best deals possible. We also update offers on an ongoing basis as tickets begin to sell out.

Best known for our travel deals (which we have been publishing in the U.S. since 1998, and in Canada since 2006), about five years ago we had a great opportunity with our Las Vegas hotel clients who had seen an increase in hotel room bookings as a result of their Top 20 campaigns. They asked us about selling tickets to the big shows that many of them host within their properties, and we haven't looked back. Over the last year and a half, our entertainment deals business in Canada has grown and we've started to diversify the kind of entertainment clients we're working with.

These clients include Maple Leaf Sports and Entertainment (MLSE) and The National Ballet of Canada, who share a big business need in common – they have to sell tickets. From The Nutcracker and Swan Lake to the Toronto Raptors, filling seats is the name of the game.

The following are email marketing tips and campaign results based on our work

with some of Canada's premier entertainment companies who were looking to expand their online marketing strategies:

Keep it simple

For our clients, email marketing has a lot in common with retail – the key to a successful campaign is putting the hottest deal in the storefront window. This means working with our clients to determine the best 'lead-in' rate; the lead-in rate acts as the headline in the Top 20.

The simplest offer with the lowest rate resonates best. For our entertainment clients, we always recommend the single ticket offer, even if it's just for one show or one category of tickets. Clients can then offer an additional pricing or ticket option on the endorsement page that interested Top 20 subscribers click through to in their email.

Last year Travelzoo Canada created a deal endorsement page for a special holiday ticket offer for the National Ballet's The Nutcracker. The lead-in ticket rate was \$33.00 (including free Parking), while the endorsement page also offered additional deals on tickets in other seating levels, giving interested subscribers an easy way to upgrade.

The average ticket sale price for this particular campaign ended up being \$67.00 as subscribers upgraded and took advantage of additional deals on the endorsement page, the Ballet's website and ticket sales line.

We always recommend that deals included in the Top 20 have a promotional code, which allows our clients to track sales as soon as the newsletter goes out. ROI from a Travelzoo Top 20 campaign can be as high as 16:1.

Capitalize on the halo effect

We find there's a significant halo effect that

happens when our clients grab the attention of our subscribers. The Top 20 reaches more than 1.2 million subscribers across Canada who could potentially be interested in any individual deal. The Top 20 also plays a large role in stimulating subscribers to think more about a particular entertainment venue or show that they hadn't considered before. If the original deal isn't exactly what they want, if they are looking for slight tweaks, upgrades or different options, then they can easily click through to our clients' websites to learn more.

Understand your subscribers

Getting results for our clients through email marketing would be extremely difficult if we didn't know our subscribers. Each year we undertake a comprehensive survey to understand their buying habits, preferences and passions. This has been extremely valuable for our clients who are paying us to access a large list of committed subscribers with their deals. Some notable characteristics of our subscribers:

They read their emails: In a world of spam and email overload, 92 per cent of Travelzoo Canada subscribers read the emails they receive from Travelzoo within 24 hours of delivery

They try new things (if the deal is good enough): 80 per cent of subscribers who buy tickets through the Top 20 weren't actually looking for tickets to the show that they ended up buying – they just couldn't pass up the deal.

They like to upgrade: 28 per cent of subscribers click on a deal and end up choosing a different deal at a higher price point.

They have money: 40 per cent of subscribers have a household income of more than \$100,000; 72 per cent are married; 62 per cent of subscribers are women.

Find the right marketing mix

There are many strategies involved in selling tickets to sporting events, but what's most important is listening to your customers and developing an offer that appeals to them. Travelzoo subscribers are looking for entertainment options at reasonable prices, so we worked with MLSE to provide access to sets of tickets for multiple Toronto Raptors games at prices not readily available to single game purchasers. This strategy ensures that MLSE sells tickets to its non-premium games (for example, games where there is not a strong rivalry for instance, so the demand is typically less), and gives Travelzoo subscribers access to otherwise sold out premium games.

The most recent IAB Canada numbers reveal that online was the only advertising channel to experience year-over-year growth in 2009. Canadian advertisers spent

\$1.8 billion on online advertising in that year and we believe that companies should be incorporating many different strategies into their online marketing mix.

We talk with clients about push and pull marketing, and about how they work together. We emphasize that there's a significant role for pull strategies like search and website cost per click, especially during high seasons when there are lots of consumers searching and browsing. There is also a place for social media and push marketing efforts like email marketing (using a client's own proprietary email list, or stepping outside of that to grow their audience). Our goal is to always help our clients understand how different online marketing strategies can work together for the best results possible.

Lara Barlow is the Country Manager of Travelzoo Canada.

ADVERTORIAL

The Evolution of 'Giving': How Nonprofit Marketers Can Effectively Leverage Predictive Analytics

Sharif Elhilali, Director Analytics Consulting

Fundraisers and nonprofit marketers have long relied on direct mail campaigns to reach donors. Recently, sky-rocketing postage rates coupled with the rising cost of paper have forced them to look for opportunities to evolve their direct mail campaigns to better leverage the channel and improve ROI.

Reach the Right Audience

The use of exchange names is common practice for most fundraisers. However with everyone tapping into the same names, time and time again, there is the danger of overuse and fatigue, resulting in lower performance. Additionally, even within the exchange environment, marketers need to segment effectively by identifying the most profitable prospects and eliminating waste. By applying the discipline of predictive analytics and modeling, marketers can gain valuable insight into their prospective donors, to further refine and target their most profitable names. Ask yourself: who is the best customer match; who is the best responder match; who is the most profitable life time value match. This will drive response and campaign ROI.

Create a Unique Donor Experience

The key enabler of predictive analytics is the availability of attributes at the individual level to effectively differentiate prospective donors from each other and target the most likely to respond. This ties directly to a concept ICOM refers to as Customer Experience Marketing, which is a data-driven approach to deliver relevant interactions that respond to the way consumers want to engage with brands, or in this case, with a specific cause or organization. The more you understand about a consumer, the better the dialogue between the organization and the donor.

Across all channels, ICOM clients find success by providing a highly personalized, targeted experience for their customers. For example, a nonprofit focused on animal rescue may want to send a different mail piece to a cat owner vs. a dog owner.

Focus on Acquisition: Build a Strong Model

One way to ramp up acquisition is through custom built models, outside of the exchange space. In order to build a strong model, marketers should determine their objective. Ask some critical questions: Are you looking to grow your housefile? Do you want more new acquisitions? Do you need to increase the dollar amount per gift?

Whatever your final objective, clearly communicate it to your modeling partner so they know what success means to you.

A strong model will be able to locate waste and strip superfluous targets from your campaigns, thereby increasing the success of your campaigns.

As we mentioned before, focus on effective segmentation - even within your housefile - to dissect and refine your target audience to mirror your objectives. Do you need to reactivate past donors? Can you convert the one time giver into a monthly donor? And how can you differentiate between the two?

The Gift that Keeps Giving: Understand the Life Time Value of Your Donors

Life Time Value (LTV), a staple in most financial and credit card acquisition models, can be successfully adapted for the nonprofit space. LTV predicts the overall value of a donor over a period of time and is especially useful in identifying that high value donor to focus loyalty programs. Note of caution – LTV typically does not go beyond 5 years, as predictability of behavior becomes increasingly difficult when reaching so far out.

At ICOM, we've seen predictive analytics significantly improve campaign performance for many of our US and Canadian nonprofit clients and create better experiences for donors.

Want to learn more? Send me your questions at ICOM@epsilontargeting.com or call us at 1.800.603.4555

WORTHKNOWING

New interim president and CEO for Canada Post

Mr. Stewart Bacon of Knowlton, Quebec, as been appointment acting president and chief executive officer (CEO) of the Canada Post Corporation, effective October 13, 2010, until a permanent CEO is named.

"I am pleased that Mr. Bacon has agreed to return to the Canada Post Corporation," said the Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities. "His vast experience and good counsel are great assets to the corporation."

"Canada Post Corporation has greatly benefited from Mr. Bacon's leadership and solid understanding of its goals," added the Honourable Rob Merrifield, Minister of State (Transport). "This interim appointment will ensure that Canada Post continues to build on the progress already made towards achieving those goals."

Mr. Bacon was first appointed interim president and CEO of Canada Post on July 15, 2010, re-joining the corporation following the departure of Moya Greene. He joined Canada Post in 1994 as area vice-president for Eastern and Northern Services and held a series of progressively senior executive positions until his retirement in early 2010. Prior to joining Canada Post, Mr. Bacon was a vice-president and general manager at Philips Electronics Ltd., and held senior executive positions at Comterm Inc. and IBM Canada.

Domtar unveils "Paper Because" campaign

Domtar Corporation is launching its "Paper Because" campaign through advertisements that will appear in major U.S. and Canadian media outlets, including: The Wall Street Journal, The New York Times, The Globe & Mail, Fast Company, Audubon, National Geographic and other consumer and trade publications. The campaign will also feature online banner ads and a series of short videos that will appear in a variety of online media.

"There are times when no substitute for paper will suffice—it is how great ideas begin, how the world learns, how important news gets shared and how people meaningfully connect with each other," said John D. Williams, President and Chief Executive Officer. "What has evolved over time is the continued improvement of our environmentally sound forestry practices and high levels of recycling that have made Domtar a leader in the effort to make paper sustainable and renewable."

Domtar has earned the support of recognized environmental organizations because of its investments to increase forest certification and reduce the environmental impact of its operations. More than three quarters of the energy used at Domtar mills, for example, comes from renewable sources. Domtar has also cut greenhouse gas emissions from continuing operations by 32 percent since 1990, far exceeding the requirements of the Kyoto Protocol.

Download Express delivers pay-as-you-go custom business data

Scott's Directories, a Business Information Group company, has unveiled Download Express, a new contact database website designed to deliver custom business data in a pay-as-you-go format.

Powered by Scott's online business databases, Download Express provides a cost-effective means for B2B companies looking to create custom lists. Users will be able to search the website for free to create list counts based on customized searches. Search criteria include business type, industry classification code (NAICS), province, city, employee size, and job function.

"Download Express truly puts our clients in the driver's seat," said Bruce Creighton, Business Information Group President. "You choose the criteria, you set the budget, and you control your audience. In today's economy, we think users will appreciate the added control that Download Express allows them – all at an extremely competitive price point."

LISTWATCH

Self Magazine

Self debuted in 1979 as the first-ever magazine of total well-being, incorporating health and beauty, fitness and nutrition, and happiness and personal style all in one package. Self subscribers are primarily women, with a median age of 39 and a median household income of \$79,900

A wide variety of selections are available at a range of prices.

Contact: Direct Media Millard, Ann Bullock 402-836-5106

Columbia House DVD/VHS Video Club

This is a list of buyers of DVD and VHS Video cassettes offered by Columbia House to its Video Club members of a negative option club. They are offered a wide choice of titles approximately eighteen times a year. Average age skewing UNDER 35 years. Self-reported age also available. Please ask for details.

Average unit of sale is \$80.00

Contact: Cornerstone Group of Companies, Richard Todd, 416-932-9555, ext. 136

Dun & Bradstreet Telemarketing

This is a list of private and public business across Canada. Each listing is supported by a business information report. All business listings are personally verified with the business owner or senior executive. This list can be targeted selectively. Base cost per thousand of \$165 is for Direct Mail only (no Tel #s), and is tiered, based on order volume.

Multi-use pricing is also available. The above count represents the last 12 months.

Direct Mail List includes business name, full mailing address, and contact name.

Contact: Cornerstone Group of Companies, Richard Todd, 416-932-9555, ext. 136

MADD Canada (Mothers against Drunk Driving) reaches 27,938 English Donors

MADD Canada runs 2 – 3 direct mail campaigns per year and is willing to trade or rent these names to interested parties. MADD Canada's list reaches 27,938 Canadian donors that are committed to stopping impaired driving and supporting the victims of this violent crime. North American Direct Marketing Inc. exclusively manages this list. Selections available are FSA's, Gender, Recency & Donation Gift. Base rate is \$160.00/M CDN. For more information, contact your list broker or call Jacqueline Collymore of North American Direct Marketing Inc. at 416-622-8700 or email Jacqueline.collymore@nadminc.com

Progress Magazine reaches 9,597 Business Leaders and Entrepreneurs.

A savvy new breed of entrepreneur is emerging in Atlantic Canada and Progress is their magazine. Published eight times per year, Progress delivers insights that help its audience grow their businesses more profitably. Read primarily by influential business leaders and entrepreneurs with the power to make purchasing decisions. North American Direct Marketing Inc. exclusively manages this list. Selections available are FSA's, Industry, Province, Recency, Employee Size & Job Functions. Base rate is \$150.00/M CDN. For more information, contact your list broker or call Jacqueline Collymore of North American Direct Marketing Inc. at 416-622-8700 or email Jacqueline.collymore@nadminc.com

Canadian Geographic

Canadian Geographic is Canada's foremost national audience of passionate fans of Canadian geography, science, nature and culture. And, the magazine's compelling readership is made up of high-income, well-educated consumers. Plus, ask us about a sub-set of the list identifying those high-potential subscribers who are also donors to the Canadian Geographic Society.

These readers represent an ideal target for a variety of direct mail offers that include consumer catalogues, product mailers, special interests, travel and contests, as well as fundraising ventures and subscriptions.

Rent more and save more! Increase last order quantity by 5,000 records - Get \$10 off the base; increase by 10,000 records and get \$20 off the base! Offer ends December 20, 2010.

Contact: Please call Cornerstone Group of Companies at 416-932-9555, and ask to speak to Alejandra Cuevas, Ext. 177, or contact by e-mail at acuevas@cston-ecanada.com.

DM PEOPLE



NCR Canada

Kevin Marshman has been appointed Vice President, Services, International Americas Region and will lead the newly created Canada, Caribbean and Latin America international services team.



Hemlock Printers Ltd.

Dirk Ottevangers has an exciting new role at Hemlock as the Director of Business Development and Major Accounts.



LoyaltyOne

Stephanie Cohen has been appointed to the newly created role of Partner, Financial Services.



Gee Jeffery & Partners

Andrew Simon, previously DDB Canada's critically acclaimed Creative Director, joins GJP as the new Chief Creative Officer.



Yangaroo

Anthony Miller, formerly Chairman Emeritus of MacLaren McCann, has signed on to the board of directors for Toronto-based digital media distribution



Doug Climie has joined Hemlock as Vice President of Sales and Marketing for the Canadian market.



Fred Thompson has taken the new position of Partner, Retail.



Matthew Stern

is GJP's new President.



DIRECT & PERSONAL

by Billy Sharma

Sharon Oatway

She is as unique as the many hats she has worn in her very successful and colourful career.

There is nothing conventional about Sharon Oatway. Starting from the very beginning and all through her career, everything that she has accomplished has been non-traditional and varied.

When I went to interview her at her office at Queens Quay she proposed that we walk down to the Toronto Music Garden along the lake. "It's much nicer by the lake," she observed.

The Toronto Music Garden is a beautiful park, inspired by Bach, with a swirling path through a wildflower meadow. It's the ideal place to sit and soak in nature and listen to a charismatic person talk about her interesting life and career.

"At 18 years of age I bypassed university and headed east leaving my hometown of Steveston, a small Japanese fishing village just outside of Richmond B.C., on a whim to pursue fame and fortune in Toronto," Sharon told me. "I had never been to Toronto and knew only one person. I was fortunate to land a training position with Wang Laboratories who, luckily, had just launched one of the world's hottest office automation systems. Within months I went into sales and I bought my first house a year later."

"My sales experience led me to Philips Information Systems where I became Director of Marketing. The '80s were heady days as I traveled the world and had a personal secretary who brought me tea in a china cup and took down 180 words per minute shorthand.

"As the youngest and only female director in the division worldwide at the time, many of my colleagues had been with Philips longer than I had been alive. There was a lot of turnover at the executive levels and as each new executive came and went, so too did the vision and approach to running the business. While one CEO was very marketing or sales oriented, another was all about profit or investments in technology or export. It was a fabulous learning experience and more than made up for my lack of formal education.

"Then I decided I wanted to pursue a more creative career and did a short stint managing Royal Trust's Annual Meetings," says Sharon. It was at the end of the final show, with balloons falling and Jackie Richardson singing the Royal Trust theme song, that Sharon found out she was four months pregnant!

With a big smile on her face she continued: "Now I have a fabulous 23-year-old daughter, Samantha, who recently graduated from the University of Western Ontario and is currently travelling around Australia. Given that I was a single parent for most of her life, she always did her homework at a desk next to mine in

the office.

"My daughter has most certainly shaped the person I am today. I was a single mother in a city without an extended family, so Samantha and I made up the rules as we went along. As those with kids know, you learn so much about who you really are at your core through parenting. Being a mom was the most challenging job I have ever had but I am so fortunate to have had the experience."

"After having my daughter, Royal Trust hired me as the Director of Special Projects with the mandate to launch Canada's first branchless bank. I was new to direct marketing and bank operations but I had the best teachers, Mona Goldstein and Marilyn Stewart (the heads of the two direct marketing agencies Royal Trust had hired: Wunderman & Ogilvy Direct). They taught me about the art and science of direct marketing while David Cooper helped me understand financial services.

"In my early direct mail days in banking we worked with 23 different legacy systems, CRM and database marketing were only pipedreams. Needless to say, list management was a challenge. We once dropped a line of credit offer that was addressed 'Dear Mr. Deceased: Given that you are a valued customer we would like to extend this offer of a line of credit...'. We had inadvertently mailed all deceased customers! All hell could have broken loose but instead we received a number of replies from their spouses confirming that, yes, their spouse was a valued person. Phew!

"We also dropped our first direct mail campaign for mutual funds to arrive in mailboxes on Monday, October 19th 1987, a.k.a. Black Monday, the day when stock markets around the world crashed!"

In 1993 Sharon moved to CIBC as General Manager of Direct Response.

"It is always great to be able to leverage hindsight and I was able to set-up another direct marketing channel at CIBC – this one bigger and some might say better. It was a fully self-contained business centre – direct mail, call centre and back office processing – and really leveraged the benefit of full integration. We had the chance to refine our direct mail and call centre capabilities and dabbled in some of the new, emerging technologies." Sharon promised her team at CIBC that if they did well at the CMA awards show, she would dance on the table. To no one's surprise they won many awards and so, true to her word, she got up on the table and began to dance.

"While I was gyrating on the table at the CMA Awards, a photographer took my picture and I was the centre spread of a trade publication the next month."

Sharon has worked in many fields,

moving from industry to industry in many capacities: Wang (sales); Micom/Philips (sales and as Director of Marketing); Royal Trust (Director of Direct Marketing); CIBC (General Manager of Direct Response); Unitel (Director of Residential & Small Business); Just Vacations (Vice-President); Customers By Choice (Owner/President), Wunderman (President of Customer Relationship) and now at VereQuest as Owner, President & Chief Experience Officer.

Sharon feels that the main reason for this is because, as she explained with a glint in her eye, "I guess I am highly curious and that comes from my very short attention span and the blank sheet I started with, where anything is possible."

On a more pensive note, she adds, "as a single parent and entrepreneur there has not been a lot of time for extra-curricular activities. I have travelled a fair bit for business and pleasure and I am an avid photographer. I particularly like to go off the beaten track whether it is the back allies of Hong Kong or the wilds of South Africa. I love home renovation – or at least did! I am into a five-month renovation that was complicated further by a sewer back up. Argh!

"I also host Madame O's Martini Madness. The early events began as a way for me to stay in touch with my friends, colleagues and former employees. In 2005 my nephew, Jamie White, went to Lesotho to work at an HIV/AIDS Clinic. We passed the hat at a Madame O's Martini Madness and the money raised launched the G.R.O. Foundation, which for the last five years has actively supported HIV/AIDS artisans, grandmother poultry farmers and at-risk teenagers in Lesotho."

When asked about the people she admires Sharon names Claude Legrand, a global leader in innovative thinking. "He has been a mainstay in my life for many years, both professionally and personally. In addition to being a key supporter in the past he has also helped my current business VereQuest over the years, He and his company, Ideaction, have been instrumental in helping us see potential markets, products, services and processes in a new way, truly breakthrough thinking that has led to breakthrough results.

"And speaking of important people in my life, for years I only thought about Rich Richardson as a good old print salesman who seemed to be blessed with eternal youth. It would take years and many lunches at the Boulevard Club to understand the breadth and depth of this remarkable man's life. This very busy entrepreneur, father and husband always found the time to do more – whether for a charity or a friend. When talking about retirement he would always remind me



"I realized that if we really listened to customers, they would leave us clues about what was important to them and how we could turn them into advocates for our company."

'never quit working or you will die.' I was so moved by the way others remembered him. He left quite a mark on our industry and on me."

"There was a moment in my career, while working for another entrepreneur, that I felt I could not continue. Unethical business practices and long hours had taken their toll. It was at that point that I made the move to consulting. As a single parent, it was certainly a scary decision but, in hindsight, the best move for me. Importantly, the bad behavior of bosses past is ever-present in my mind as I make decisions about how to manage VereQuest.

"They say you can learn as much or more from disastrous bosses as you can from great ones. I have had lots of opportunity to learn over the years – from blatant, daily sexual harassment, bullying, late night calls and public humiliation. There are still many executives who feel the only way to manage employees is through domination and intimidation."

Sharon started VereQuest in 2002. "I realized that if we really listened to customers, they would leave us clues about what was important to them and how we could turn them into advocates for our company. VereQuest (which is Latin for 'seeking truth') set out to capture this information in ways that could be leveraged for sales, marketing, operations, product development, etc.

"VereQuest," as she explained, "is a customer experience monitoring and consulting firm. We listen in to the interactions customers have with companies to uncover the 'clues' they leave us that are related to loyalty, sales opportunities, operational improvements and more. Our teams of Customer Insight Specialists are highly skilled coaches able to provide the kind of just-in-time feedback needed to drive and sustain high performance.

"When VereQuest was launched, I felt strongly that *how* the company was built and run was perhaps more important than *what* we did. Therefore, before writing the business plan, I developed the Guiding Principles for the company – rules about *how* we would build VereQuest. This has been invaluable throughout the years not only as a bellwether but also for decision-making.

"Naturally, there were many times over the years when I wondered if self-employment was worth it. I sometimes have longed for the stable days of corporate life and the steady income. Then I would get a call from a client or an employee with a new idea or project. Or remind myself of the flexibility I have in my life as a result and how challenging it was to be a full-time corporate executive and a mother. Thoughts of calling it quits were usually short-lived.

"I have always worked at something since I was 14; I was very active in my high school as the head cheerleader and president of student council. I even convinced the school board to allow me to work in lieu of classroom time. My first job was in the typing pool of B.C. Telephone Company and I have never looked back.

"I am very happy with where I am at right now. I have had an amazing career so far and living and working in Toronto has been both exciting and fulfilling."

The direct marketing industry and I both agree that she has had a wonderful and diverse career and we are glad she stayed in Toronto. After all, how else would I have ever discovered the wonderful Toronto Music Garden?

Billy Sharma is president and creative director of Designers Inc., Toronto. He can be reached at designersinc@sympatico.ca or by calling him at: 416.203.9787

▶ Fundraising continued from page 10

necessary to conquer Everest!

Campaigns like these seem like they are all about the stylish website, but they have important offline components. After registering online, participants received a package in the mail with a pedometer and a fundraising toolkit enclosed. During the campaign, a complementary mobile application encouraged climbers to continue fundraising by announcing prize levels reached: "You've won a t-shirt, keep fundraising to see what happens next!"

Australian fundraising challenges often include toolkits or tax-receipt booklets that are mailed to participants. To get these packages, prizes and direct mail pieces out to supporters, organizations rely on addressing data from the website. Data acquired from individuals registering on a website is notoriously problematic. As a result, many of these charities have a heightened awareness of the need for address verification and data cleansing tools.

North American charities should take note. In 2009, pilot studies from Canada Post found that 8.3% of mailing-file items

were inaccurate or required a correction to be deliverable.

Data cleansing tools like address verification can guide participants while registering on the web, thereby reducing errors and saving mailing costs.

It's also a missed opportunity to design a creative campaign without considering what to do with the registrants who have been acquired for the overall organization. What will happen to these constituents once they are in the organization's database? How will they be communicated with in the future? Are critical addressing fields or permission questions missing from the registration or donation process?

Smart organizations consider their own business rules and practices before building a registration or donation process. A slick campaign lasts weeks, but clean data lasts forever!

Online tools complement traditional fundraising methods

The 2010 BMO Boolathon event was a Halloween-themed fundraiser in support of Kids Help Phone, a youth counseling

service. Teams of five to six bowlers spent a Saturday or Sunday with coworkers and friends at local bowling alleys in over 50 communities across Canada to raise money for a great cause.

Each team was asked to raise a combined minimum of \$500. Team-based challenges are always strongest when team captains are given tools to make fundraising easier, faster and fun.

This year, participants were given an extra treat to encourage them to reach their goals. The BMO Boolathon 2010 App for iPhone allowed bowlers to easily send sponsorship emails, connect on Facebook and Twitter, and track fundraising totals, all from an iPhone, iPad or iTouch.

A first for Canada, the BMO Boolathon App also included a "Donate" button allowing participants to hand their mobile device to a friend to make a quick and secure credit card or PayPal donation.

The mobile donation form allowed Kids Help Phone to capture full donor information and the data was integrated with the existing database of donations through the Boolathon fundraising website. Donations made through the mobile App counted towards a bowler's total and were immediately reflected on personal fundraising thermometers.

Canadian charities already know that person-to-person fundraising is powerful.

We've all given to a friend's charity appeal because we were personally asked to give. Quite often, we sponsor a run, walk or ride participant without even really knowing what the cause in question is.

Kids Help Phone recognized that it's one thing when your friend sends an email or a Facebook message asking you to make a donation – it's quite another thing when a friend is speaking to you in person with the means to donate right away!

Mobile technology gives charities the ability to leverage the "right now" of giving. Emails can be ignored and social media messages missed, but a secure donation form in your hand is hard to pass up.

Kids Help Phone put mobile fundraising tools into the hands of their event participants, knowing that "old school" person-to-person relationships would do the rest.

Genuinely integrated projects go beyond adding a URL to a pamphlet or a phone number to a web site. Be inspired by these examples to kick start your own synchronized fundraising campaigns!

Claire Kerr is a not-for-profit veteran who has worked in the economic development, education, arts community and fundraising sectors. As Director of Digital Philanthropy at Artez Interactive, Claire provides consulting in best practices for online fundraising to international charities and partner agencies.

▶ Pushing boundaries continued from page 7

Giving Airmiles wings

In order to achieve the experience of surprise and delight for consumers, Engel and Innovative Graphics exploit their intimate knowledge of a huge range of printing presses and their capabilities to find new solutions for common problems.

For a previous Airmiles campaign, Engel and his team were charged with figuring out how to attach a brochure as part of an envelope, so that that piece could be customized while still presenting a cohesive message. They developed a totally unique piece that at first glance looks just like a conventional envelope, but unfolds to reveal a brochure with personalized bonus offers tucked into an attached pocket. The effect is intriguing while prominently displaying the client's messaging.

"We didn't go to an envelope company to do that, we went to a non-traditional way of doing that, and that's a web printer," says Engel. "We took equipment that wasn't made for that, they have never done that type of work before, and made an envelope out of that equipment."

Details, details

Sometimes it's the little things that make the difference between an average piece of direct mail and an exceptionally effective communication tool. In a campaign for CIBC Global Migration, Innovative Graphics took a traditional-looking envelope and added a zipper involvement piece to entice consumers to open it up. Not only was the zipper itself irresistible, the piece then folded down so that the offer was displayed front and centre.

"The zipper is a touch that we use because in our experience with direct mail, a zipper involvement device increases your response rates," says Engel. "When you pull it down you don't have to go into the inside of the envelope, you see the offer and

benefit right away."

Providing content for formats and production is a cornerstone of the business, but what Engel really loves is a good challenge. Sometimes agencies will approach Innovative Graphics with an idea and simply ask, how? Other times they will be looking for help brainstorming ideas to fulfill a brief.

"In some cases we supply an idea, in some cases we'll supply the format, in some cases they'll have the idea and we'll say there's a different way of doing this or a cheaper way of doing this or do you know that there's a new technology that will allow you to do this much quicker?" explains Engel.

2.5-dimensional mail

A quick look through a sampling of Innovative Graphics' handiwork makes it clear that one of their hallmarks is finding ways to blur the lines between dimensional mail and conventional letters and postcards. Through uniquely shaped envelopes, zipper features and clever folds they generate the excitement of dimensional mail at a fraction of the cost. An unlikely side effect of these innovations has been an increased ability to personalize these pieces at an affordable price.

"The challenge of a dimensional piece is it is very expensive from a technology standpoint to variable image something that's not flat or straight-forward," says Engel. "What we've been able to do is overcome that by using different technologies."

What's next for the discipline of direct mail is anybody's guess, but it's safe to say that Innovative Graphics will continue to explore the fringes of the medium and keep making the impossible seem suddenly, surprisingly possible.

▶ ROI Continued from page 6

PURL can also feature specific information about the person's recent transactions, offer customized surveys, and be tied to an automated email follow-up.

Fortunately, PURLs aren't uniquely tied to direct mail campaigns. They can also be used in email or text marketing campaigns, though the availability of variable data printing now makes them more available for use in printed marketing materials.

Quick Response (QR) codes

QR codes refer to a two-dimensional barcode included in a marketing piece. Using a smart phone with a reader, a recipient can easily scan the code with their mobile device instead of entering a code by keyboard. Scanning the code drives the responder to a specialized mobile page, making it easier to go to the website immediately. Codes may be used to drive a variety of actions, which might include requesting more information, booking an appointment or securing a coupon.

QR codes take advantage of the ubiquitous nature of smart phones and can easily be assigned to every recipient in a campaign. These codes connect people with traditional media and new media in just a matter of seconds, making printed materials truly interactive and immediately trackable. They can be used anywhere that a link to information in the online world would quickly assist consumers.

Mobile marketing

It's no secret that offering multiple response methods improves response rates, so it stands to reason that offering a text response option can lead to better campaign ROI. Adding a text response option can be as simple as offering a number to text for additional information. More complex campaigns might provide a mobile coupon which can be scanned at the cash register during checkout, or allow the user to opt-in to an ongoing text message communication stream with a keyword and a short code. This communication stream would allow the individual to receive promotions, product alerts, mobile coupons and virtual mobile loyalty cards.

I believe that direct mail is here to stay, at least as part of a multi-touch marketing campaign that may also utilize email, mobile, and even telemarketing. But today's direct mail is no longer the costly, mass mailing of the past. New technologies ensure that marketers can create direct mail campaigns that specifically target individuals, present personalized offers and enable credible, even real-time, response tracking. Better tracking, plus more affordable variable data printing, means more effective direct mail programs and a stronger ROI for your campaigns.

It's a very exciting time to be a marketer, but don't discount the role that direct mail can play as part of a sophisticated, multi-channel marketing campaign.

Jamie Klemcke is the Director of Marketing for Quantum Digital (www.quantumdigital.com), a technology leader in digital print, providing direct mail, email marketing and multi-channel marketing services.

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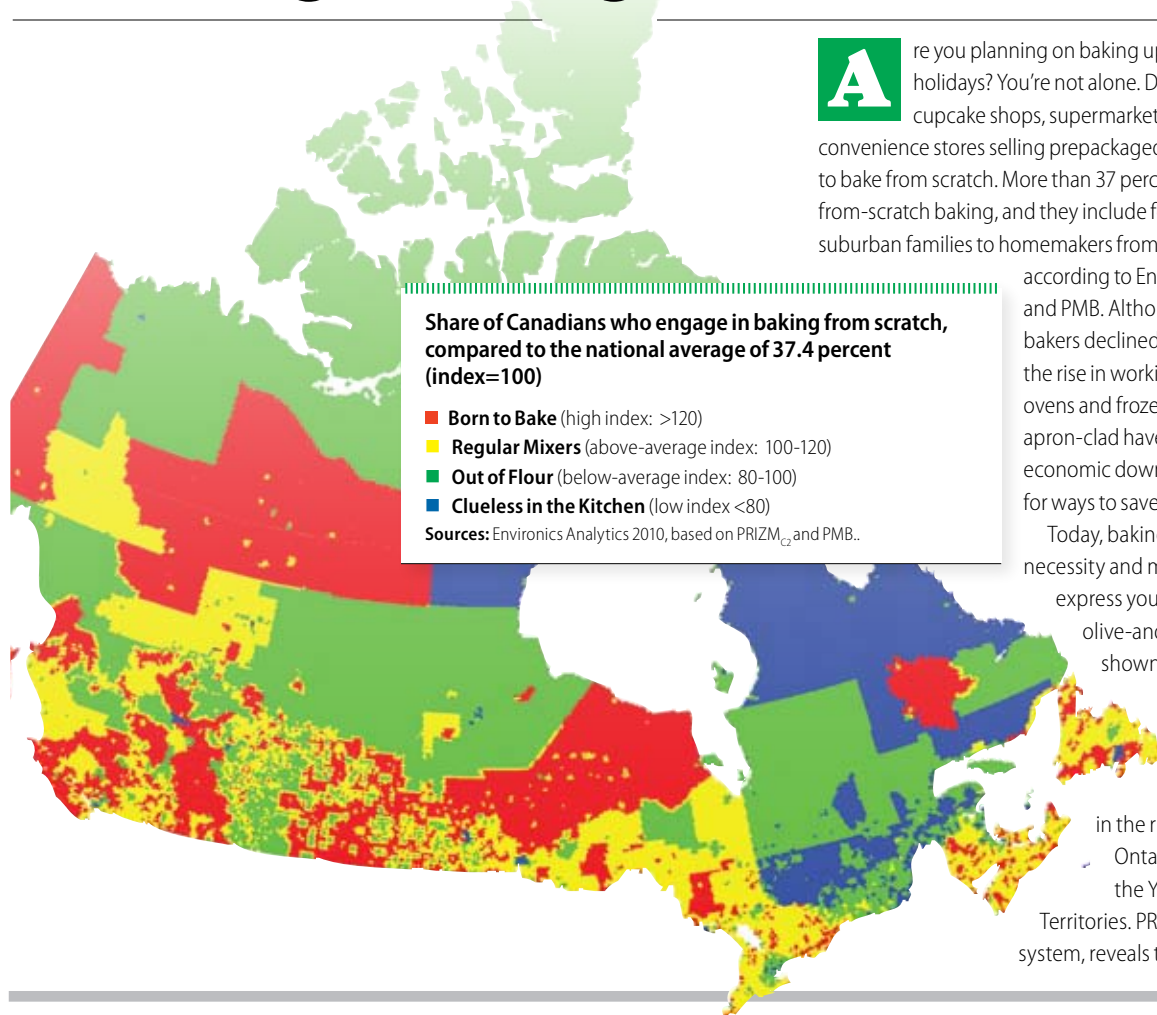
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Rolling in dough



Are you planning on baking up a storm for the coming holidays? You're not alone. Despite the glut of corner cupcake shops, supermarket bakery departments and convenience stores selling prepackaged mixes, Canadians still love to bake from scratch. More than 37 percent of households enjoy from-scratch baking, and they include foodies from the wealthiest suburban families to homemakers from heartland towns,

according to Environics Analytics (EA) and PMB. Although the number of family bakers declined in recent decades with the rise in working women, microwave ovens and frozen food, the ranks of the apron-clad have leveled off since the 2008 economic downturn as households look for ways to save money over time.

Today, baking has become less a necessity and more a craft where you can express yourself in a loaf of artisan olive-and-walnut-rye bread. As shown in this map from EA, households that bake from scratch are found across Canada, but high concentrations occur in the rustic areas of northern Ontario, the Prairie provinces, the Yukon and the Northwest Territories. PRIZM₂, EA's segmentation system, reveals that from-scratch bakers

are members of lifestyle types like New Homesteaders (rural, midscale couples and families), Nouveau Riches (wealthy suburban Quebec families), Tools & Trucks (upper-middle-class town families and couples) and Grads & Pads (young, lower-middle-class urban singles). Compared to the general population, these Canadians spend more of their free time engaged in other home-based leisure activities like woodworking, sewing and gardening. Bakers also exhibit high rates for going camping and boating, visiting museums and crafts show, and getting exercise by hiking and skiing. And since they are no strangers to the kitchen, they also share a preference for home-cooking over fast food and restaurant fare. The only eatery they'll visit at a rate significantly higher than average is a burger joint.

With the holiday season beckoning, Canadians across the land will be dusting off their mixers and taking up their rolling pins. For marketers, reaching the baking-from-scratch set might seem easy as pie. Surveys show that they're big TV fans who like to watch news programs, nature shows and religious broadcasts; they also enjoy listening to oldies and country radio stations while rolling out their pie dough. And though they're not big on print media, they do subscribe to traditional publications like *Harrowsmith Country Life*, *Canadian Workshop* and *Reader's Digest* all at high rates. But any message targeted to this group should reflect the centrality of food in their lives: they love to cook, often indulge in snacks and insist on sitting down together as a family for the evening meal. Given their fondness for creating cakes, cookies and pies, it's no surprise that their top-scoring statement in a values survey is a confession: "Most of the time I'm trying to lose weight."

EVENTS CALENDAR

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as well as solutions on how to integrate traditional offline channels and the new online channels such as social media into your overall marketing strategy. Visit www.the-cma.org for details.

Correction

The October edition of In the Mail was incorrectly credited, and should have read as follows:

Art director: Ian Martin
Copywriter: Jinnean Barnard
Creative director: Scott McKay
Print production: Joe Stevens
Account management: Amanda Power, Sarah McLellan, Helen Karrandjas Moore
Studio: Luis Santos

Our apologies to the McLaren MRM team responsible for the 2010 World Vision Back to School DM campaign.

► Continued from page 3

for email seem to group together into two camps. First, there are those interested in helping the environment – this was characterized in the study by statements like "I can save on paper." In the second camp are those who want to choose – their attitudes are characterized by statements such as "I can choose what I receive."

This idea of choice is important when we look at online channels. Many respondents to the study indicated receiving more email as a consequence of signing up for a newsletter or other communication. It seems all the more important to translate the proven techniques of the offline channel to the online in order to build the same trust and reliance with consumers.

This study shows that the voice of the consumer is getting lost in the mix. We, as marketers, must get back to listening and understanding before connecting and engaging. Our point: despite what many are saying, offline channels are still a viable

and effective way to reach and engage an audience. Marketers should consider them when planning a marketing strategy. They very well may become the critical component. Assuredly, this should not be at the exclusion of the online channels, including the up-and-coming social media platforms. That would be making the same mistake that many have made by discounting direct mail.

Will it be the same for all brands? Absolutely not. The key is to know the target audience and balance the channels within a marketing mix to ensure inclusion of those channels used, preferred and trusted by customers and prospects.

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