

# DIRECT MARKETING

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CANADA'S PUBLICATION ABOUT INTERACTIVE MARKETING AND SALES

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## FAST forward



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Photo by Gary Tannyan

Presenting the award is Serge Pitre, vice-president National Sales, Canada Post Corporation. Accepting the award: (in pink) Lori Steiner, Group Account director; and Mary Lynn Lalonde, Associate Creative director, Rapp Collins, a division of DDB Canada.

## Rapp sweeps two major honours at gala event

# UNICEF new monthly donor campaign tops NAMMU awards



**BY PAT ATKINSON**

B2C campaign that used imagination and surprise to encourage prospects to help children facing life and death issues in the developing world, took top honours for Rapp Collins, a division of DDB, at the NAMMU Awards held at the Design Exchange here on November 12. Familiar lines ripped from today's news provided unexpected and alarming facts. "This child has a drinking problem," accompanies a photo of a serious young boy with a cup perched over a filthy stream and reveals the fact that more than 6,000 children die daily from drinking contaminated water. With international development low on the public's agenda, this provocative package

achieved results vastly over expectations. From the lift in monthly and single donations, to acclamation and increased profile for the global UNICEF organization, this campaign, which also won the Addressed Admail B2C – Fundraising category, was a direct hit.

### Multi Media Award

Rapp Collins relied upon an amusing multi-media story about "the Japanese car the Germans wished they had made" and garnered the Multi Media Mail Award for its outstanding 2008 Subaru Impreza Launch campaign.

### All Star Team Award

In his remarks from the podium, NAMMU

Head Judge, Alan Brodeur, said "It's a campaign other agencies wished they'd made. Showroom traffic and sales zoomed, dealers got excited, and the online buzz led to worldwide smash success." This campaign also garnered the All Star Team Award for Rapp Collins and PLM Group, which supplied data, mail component manufacturers and the value-add mailer.

### Courier Financial Services – B2B

"Apple Basket Introduction" won this category for TD and Response Innovations. This delicious campaign (based on the adage: "An apple a day...") delivered baskets of fresh, locally grown apples to medical offices in Northern Ontario and Vancouver and invited doctors and their

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**DIRECT**MARKETING



## editor's letter

Pat Atkinson

*"Let's Face the Music and Dance"*  
— a holiday classic for our times

There may be trouble ahead

But while there's music and moonlight and  
love and romance

Let's face the music and dance.

Of all the songs Irving Berlin ever composed, "White Christmas," his musical expression of people's yearnings for home and hearth, was likely the one that most excited him. According to legend, Berlin stayed up all night writing it and upon arriving at his office early the next morning, announced to his musical secretary, "Grab your pen and take down this song. I just wrote the best song I've ever written — hell, I just wrote the best song that

anybody's ever written!"

Before the fiddlers have fled  
Before they ask us to pay the bill,  
and while we still have the chance

Let's face the music and dance.

And "White Christmas" was certainly a song for the times. Bing Crosby's recording of it resonated strongly with listeners during WWII and it became a favourite request on the Armed Forces Network. Eventually, the single sold more than 50 million copies and *The Guinness Book of World Records* currently lists the song as a 100-million seller.

Soon, we'll be without the moon

Humming a different tune - and then...

Berlin lived to 101 and without ever learning to play the piano or write music beyond a rudimentary level, composed many great songs. Among them, the smoky ballad, "Let's Face the Music and Dance," stresses the importance of celebrating before it's time to "pay the piper." The song was introduced by Fred Astaire in the 1936 film *Follow the Fleet* when Franklin Roosevelt was in his second term of office and the US was just beginning to claw its way out of the Great Depression. There's a lot of sense in these lyrics and I would argue, if Berlin were alive today, this is the carol he would

introduce for the 2008 holiday season. I for one will be following his advice note for note.

There may be teardrops to shed  
So while there's music and moonlight  
and love and romance

Let's face the music and dance.

With all the iffy headlines and forecasts we've been reading lately, we cannot know what tomorrow may bring, so make sure to eat your dessert first and have yourself a merry, little Christmas (or Bodhi Day or Rohatsu or Chanukah, or Kwanzaa, or Chinese New Year or any other precious ethnic or cultural holiday) now!  
All the best in 2009!



## directives

Warren Baxter

*Does your brand  
smell of desperation?*

If predictions play out, the next 24 months are going to be a roller coaster as our global economy manoeuvres itself through the sub-prime fuelled credit crunch. Many organizations are feeling stranded on a precipice and grasping for anything they feel will protect them through this downcycle; "feel" being the operative word.

With knee-jerk reactions aimed at cutting costs, reducing liabilities and conserving cash, fear, not optimism, is now driving many business decisions. Recognizing this emotional state of fear is critical because all the decisions we make, including business decisions, are based on emotion and then rationalized with logic. Consumers are no different when making purchase decisions. The fight by companies to win consumers' hard-earned dollars is on the very same emotional battleground. If a brand is truly important to consumers by way of a high level of emotional connection, they will remain loyal. But squeezed by economic uncertainty, that level of emotional connection to a brand will be tested, even strained. To maintain and strengthen this connection, it is important for companies to revere their brand.

Often, the first thing marketers must shout in tough economic times is "Don't cut the budget!" And in principle they are right. The annals of business history are filled with examples where maintaining or increasing their marketing spend has helped companies preserve sales numbers during an economic slowdown and improve their market position as the economy improves. The evidence demonstrates that maintaining or increasing marketing spend while competitors are decreasing theirs allows

companies to increase their "share of voice" (SoV) within the market. This leads to an increase in market share and top-of-mind brand positioning. When the economy improves, the company experiences better than pre-downturn performance as a result of this stronger position. Coke, BMW and Kleenex are exemplary brands that have demonstrated that an economic downturn can be an opportunity for a business to better position itself in the market.

But is it enough? Is any marketing spend good marketing spend? In a word: No. Tantalizing ad campaigns that promote slashed prices and liquidation sales only influence ten per cent of the market. In most cases, simply increasing advertising is not the answer. As the late David Ogilvy: "The Father of Advertising," said, "Any damn fool can put on a deal, but it takes genius, faith and perseverance to create a brand."

An astute company will focus its efforts on maintaining or increasing its brand presence in an authentic manner that is consistent with its promise to the consumer. Acting with little consideration for this promise can cause long-term damage. For example, if a company's brand promise is superior 24-hour online customer service, then no matter what special deal it promotes, if the company moves half its customer service operators into cold calling and can't deliver on its promise of superior service, its brand equity will surely erode. Any short-term gain created by the promotion will be lost over the long term, regardless of the increased SoV. It is vital for organizations to understand that in softer economic times, purchasers, whether business or consumer, must be able to trust and

believe in a brand. Any lack of authenticity or failure of the company to deliver on its brand promise, will diminish the brand and have direct financial implications. In a 2002 brand paper, Paul Richards argued, "Just as they can respect integrity, customers can also smell uncertainty and desperation."

The lesson here: *revere the brand.*

To summarize, here are five simple strategies that can help keep your brand valued by consumers during a market downturn.

### 1. Stick to your long-term goals.

Deviating from what your brand stands for by running "urgency" campaigns designed to create quick sales may help short-term cash flow, but loyal customers may view it as "cheapening" your company's offer to the market. Avoid the "smell of desperation" and persevere with building a strong brand.

### 2. Maintain or increase your marketing budget.

When the market goes quiet, successful brands typically increase their market presence with strong and considered marketing activities. Moreover, research suggests that these brands position themselves to bounce back better than other brands when the market cycles up.

**3. Be authentic.** Focus your company's efforts on maintaining or increasing its brand presence in an authentic manner that is consistent with its promise to the consumer. If your brand is about luxury and exclusivity, offering "low-end" products to attract more buyers will only decrease the consumer's perceived value of your brand.

### 4. It's not just about advertising.

Branding covers all aspects of your business that involve customer touch points, from direct mail, to invoicing and client events. It's important to consider how any changes in your company activities and structure may affect your customers.

### 5. Deliver on your brand promise.

A recession is an overly emotional time when consumers need reassurance that they are making the right choice. If your marketing activities create mistrust by under-delivering on consumer expectations of your brand, consumers may quickly switch to a safer, perhaps less expensive, alternative.

**6. During a recession, consumers and business are generally more particular about where they will spend their money.** A company's brand is its promise, an assurance of the best choice. A brand strategy that focuses on this promise and considers it throughout each customer touch-point will maintain customer loyalty and inevitably, elevate a company's market position and market share when the economy cycles upward once again.

*Warren Baxter is managing director of Karo Group, a strategic branding agency based in Vancouver, BC. Karo, recognized as a "Top Ten Best Workplace in Canada," has partnered with some of this country's largest organizations to shape their brands through advertising, interactive, environments and communications design. Warren can be reached at 604-255-6100 or wbaxter@karo.com.*

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WATT Solutions  
Wood & Associates Direct Marketing Services Ltd.

coming in the  
January issue of  
*Direct Marketing*

### The statement as marketing (TransPromo)

An overview of the market trends, emerging technologies, and early adopters.

### Credit card marketing in Canada

The economic downturn brings additional stress to what is already a highly saturated and fiercely competitive market.

### Personalization's tipping point

With their budgets slashed, marketers are seeking data-driven tactics that will help them squeeze higher performance out of every dollar.

## NAMMU, Cont'd from cover

staff to "bite into better business banking at TD Canada Trust." The inside message let recipients know about the benefits of plans created for their practices.

**Addressed Admail – Information Technology B2B**

The winner, "The Canadian Leadership Summit," was developed by Wunderman for Microsoft. This team went all out to convince Canadian leaders that a Washington business conference exploring organizational trends with experts would be a great investment of time and attention. Along with the invitation, the team put together a total package to ensure top-tier executives would enjoy the flight. This included two great business books, a pillow, a reading light and an eye mask. Microsoft reached its attendance target, achieved excellent satisfaction rates and significant sales results.

Wunderman also garnered the award for Brand Reinforcement B2C for its work with Ford of Canada for the 2008 Ford

Super Duty Launch.

**Addressed Admail – Relationship Building/Loyalty B2B**

Developed by Bos for Syngenta, this campaign for an ultra-premium herbicide, "Axial," caused such a stir that the entire Canadian supply was sold out within weeks and also created a huge demand of advance orders for next season. The Axial "No Compromise Club" captured the award in this category to perfection.

**Addressed Admail B2C – Automotive**

Bimm Communications Group developed this category's winner: the Tundra Launch for Toyota Canada. Based on Toyota's "Book of Truck," the campaign conveyed masculine philosophy and hard facts about horsepower and traction that helped communicate the Tundra's toughness. The launch's success resulted in a higher than anticipated number of trucks sold.

**Addressed Admail B2C — Financial Services**

The winner: the "Guaranteed to Grow" Campaign for ING Direct, was developed by GWP Brand Engineering and Response Innovations. A unique envelope with a transparent window revealed a thick paper cut-out flower labelled *Plant Me!* and which helped to convey the image of guaranteed RSP growth.

**Addressed Admail B2C — Relationship Building/Loyalty**

Carlson Marketing developed the winner in this category, "Spring Non-Purchaser Campaign" for the Stratford Festival. Carlson Marketing tapped data for a supply and demand model that helped the Festival determine when to raise and lower ticket prices for optimum return. Patrons received mailings for offers on shows that would appeal to them based on their preferences and new patrons were accorded a discount for season's tickets. The results topped the previous year, which was the best ever recorded by the Festival.

**Addressed Admail B2C —Retail**

The "CTFS Wallet Promotion" by Philter Communications Inc. was developed for Canadian Tire Gas + to attract potential customers to the pumps and get them to try its Options Mastercard using the inducement of \$5 for a tank of gas. The offer arrived in the shape of a \$5 bill in a wallet with a peel off credit card sized coupon.

**Unaddressed Admail B2C**

The winner in this category, "Back to School for TELUS" by Bimm Communications Group, featured two waves packed with practical gifts such as a ruler with a die-cut fish, a bookmark, and interactive pieces featuring great phones and back-to-school rate plans.

**Creative Envelope**

TELUS also won this category with its "TELUS IP PREMISE," developed by Engine Room Creative Inc. The piece effectively communicates to business leaders that the full package of IP telephony hardware offers it all.

**Data mining**

Draftcb developed the "Educate to Sell" campaign for Canada Post to promote its direct mail products to small and medium-sized Canadian businesses or SMBs. The campaign positioned the crown corporation as a trusted DM resource and helped Canada Post reach its monetary targets and positioning goals.

**International**

"Good Eating, Good Living" for Kraft Foods, developed by Wunderman, used the interesting fact that laughter burns calories to create a memorable but simple message aimed at people with Diabetes and their caregivers. The envelope features a small, white feather and the message: "Presenting the latest tool to help you live better with Diabetes." It invites readers to discover practical tips and tools with Kraft's new Good Eating, Good Living collection of magazines, Web site, radio show, recipes and coupons.

**Multi Media Mail Campaign B2B**

Tattoo direct and digital developed the successful "Quotential Rebranding" for Franklin Templeton. The campaign aimed to reach both investors and their advisors and focused on an iconic image of an impenetrable metal briefcase. For investors, it became the symbol of a serious toolbox. For advisors, it transformed into a heavily guarded

medieval castle for protecting their clients' funds. Either way, the campaign spelled success.

**Dave Taylor Copywriting Award**

Siobhan O'Reilly of Capitol One's internal creative team garnered this coveted award for her work on her firm's successful "Bumper Sticker Package," which persuaded Canadians to try the country's lowest long-term credit card rate. The campaign helped drive home a huge win in customer acquisition. The award was presented by the late, great direct marketer's daughter Allison Taylor.

**Environmental /Mail Campaign B2B**

Pollution Probe's "2008 Clean Air Commute" campaign by Rivet won for its unique promotion of "Clean Air Action Heroes" through engaging workplace kits. The smog savings were 795 tonnes of air pollutants, 160 workplaces participated and 10,800 commuter diary cards were collected.

**Environmental/Mail Campaign B2C**

"My Visa Rewards Plus Catalogue" from Carlson Marketing Canada for Vancity Savings Credit Union, employed no polybags or envelopes, limited product selection to drive consumers online, employed energy-saving tips, and encouraged customers to use their points toward travel, local experiences, gifts or charity.

**Environment/Innovation**

The winner, Pitney Bowes study and report: "The Environmental Impact of Mail: A Baseline," is designed to help educate and establish best practices for sustainability within the mail industry. Pitney Bowes has been named one of the top 100 Corporate Best Citizens by Business Ethics Magazine.

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## Advertising Week in Canada set for January 26-30, 2009

Canadian advertising gurus and international celebrities help launch inaugural event

Advertising week is designed to celebrate the advertising industry's social and economic impact to the Canadian landscape, create a dedicated public platform to showcase the industry's creativity in business communication, and inspire and develop the next generation of talent for this industry.

Held concurrently in Toronto, Montreal, Halifax, Vancouver, Edmonton and Calgary during the last week of January, Advertising Week is a celebration of the business of ideas and communication. It will include keynote and panel presentations, thought leadership conferences, awards events, demonstrations of creativity, various initiatives for younger advertising practitioners, university outreach and agency open houses.

With special appearances from an impressive line-up of Canada's ad gurus such as Frank Palmer, Paul Lavoie, Miles

Nadal and Sunni Boot, and keynote addresses by top international figures, including Sir Richard Branson, this initiative is set to attract Canada's largest, most diverse advertising, marketing and media professionals from both traditional and non-traditional arenas.

"Canada's first-ever Advertising Week is designed to be a week-long think tank that promotes a lively exchange of ideas, inspiration and opinions," said Gillian Graham, CEO of the ICA. "It's also a celebration of the industry's social and economic contributions to Canada."

**Multi-city celebration**

From coast to coast, in cities such as Halifax, Montreal, Toronto, Calgary, Edmonton and Vancouver, simultaneous events will take place marking Canada's own creativity in business communication.

Activities will include keynote and panel presentations, thought-leadership conferences, student mentoring initiatives and agency open houses.

Two national industry award shows will also take place during Advertising Week. These include the CASSIES, the only Canadian advertising awards show that recognizes proven business effectiveness backed up by rigorous published cases, and the Canadian Marketing Hall of Legends, which honours Canadians who have dedicated their lives to the pursuit of excellence in the field of marketing.

Additional keynote speakers featured include:

**Dr. Jill Bolte-Taylor**, brain neuroscientist and best-selling author of *A Stroke of Insight*, and who was recently featured on the Oprah show.

See Advertising Week in Canada, page 11

advertising week 2009

semaine de la publicité 2009



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## article ►► highlights

### Personalized messaging on envelopes achievable

Previously, it was either cost-ineffective or prohibitively slow, or both.

### Multiple methods

Some which are perfect for low production volumes. Others are great for high volume runs.

### Attention grabber

Personalized messaging creates involvement, and reinforces your message—elements that get the envelope opened.

### Response: no benchmarks

Use control groups to test in a live print run to isolate the lift from the personalized envelope (vs. that from the personalized contents).



# FRANK TALK

by Frank McPherson

## Are you personalizing your mailing envelopes?

Here's how to achieve great results to attract attention, get the envelope opened and increase response rates.

**I**n this column, I've talked about the benefits of using four-colour personalization in your direct mail tri-fold mailers, postcards, and other marketing documents. But have you thought about using it on the *outside* of your mailing envelopes?

I'm not talking about the traditional method of using inkjet to print one- or two-colour teaser copy or pre-printing the envelope in four-colours and then post-printing a simple message. I'm talking about variable printing full-colour text and images on the exterior of the envelope, just as you do for the contents.

Until recently, printing four-colour, personalized messaging on envelopes was either cost-ineffective or prohibitively slow, or both. Fortunately, the technology is always improving. Today, the opportunities for 1:1 marketing are expanding.

### Four-colour 1:1 messaging on envelopes

There are four ways to produce full-colour, 1:1 messaging on envelopes:

#### 1. Light-production inkjet presses and toner-based digital presses that feed envelopes from trays.

This is an ideal option for low production volumes. The process is slower and more cumbersome than other solutions, but it makes full-colour envelope personalization accessible, even for smaller projects. Toner-based presses have a higher level of print quality than inkjet, so keep that in mind for logos and other elements that require a high degree of detail. In their favour, inkjet presses offer more flexibility in handling different envelope sizes and formats.

#### 2. Offline printing or post-printing personalization on one- to four-colour inkjet envelope printers.

This is an economical way to personalize text and images on the outside of envelopes at higher volumes.

These printers can handle both graphics and text, but quality is in the middle of the range. Offline envelope printing may or may not include pairing the personalized envelope with matching personalized contents. When inserts and envelopes are being paired, you need to have a plan for maintaining integrity between the personalized contents and their envelopes. Enhanced quality control using cameras and other monitoring devices is a must to ensure that the correct personalized insert is being paired with the correct personalized envelope 100 percent of the time.

#### 3. Specialized lines for high-volume and transactional jobs.

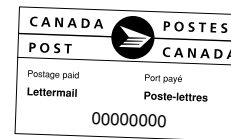
One to one digital press output can be paired with special inserting and envelope-printing equipment lines to match and personalize envelopes in the millions. At Graph Expo, HP and its partners, MCS and Pitney Bowes, showed an inserting solution that cuts a printed web, reads a barcode that identifies each recipient, inserts the sheet into a blank envelope, then prints the envelope in four-color at up to 1200 dpi at 600 fpm. Large print providers such as R. R. Donnelley and DST Output, have offered similar proprietary capabilities for years.

#### 4. New equipment can print and fold envelopes on the fly.

Using the Kern 515 EasyMailer, for example, printers output 8.5" x 11" or 11" x 17" sheets of paper that contain both a personalized envelope and matching personalized letter on one or both sides. Printers then take the job offline to the EasyMailer to insert up to three personalized pages together

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John,  
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information from your  
XYZ Investment team.

JOHN BEATS THE MARKET WITH XYZ INVESTMENTS.

with a Business Reply Envelope (BRE). There, the solution cuts, folds, wraps, and seals the completed job into the newly created personalized mail-ready envelope. For this particular piece of equipment, the monthly volume is rated at 200,000 envelopes with one inserted sheet.

#### Impact on response rates

To what extent have marketers embraced full-colour messaging? We're seeing it happen more and more often. While most marketers are still pre-printing generic messages on the outer envelope, an increasing number have stuck their toes into the water of envelope personalization.

Messages like: "John, this is the news you have been waiting for..." and "Bob, important documents inside, please respond by..." are an important first step. We are also beginning to see more sophisticated envelope personalization. At Custom Data Imaging

Corporation, we regularly produce jobs that pair personalized messaging with demographic appropriate images to increase response. We have also heard of others doing dynamic mapping.

What impact does four-colour exterior personalization have on response rates? We know that it grabs attention, creates involvement, and reinforces your message from the outset—all elements that contribute to getting the envelope opened and ultimately increasing response rates. At this early date, however, benchmarks on response rates are not available. Your best option is use control groups to test in a live print run so that you can isolate the lift from the personalized envelope versus the lift from the personalized contents.

Four-colour personalization isn't the only option for lifting response rates, of course. There are other options, such as personalized Post-It Notes and personalized labels.

#### Options are expanding

There are lots of ways to boost response rates on the outside of envelopes. Four-colour personalization is just one of them. Whatever solution you use, the good news is that your options are expanding. Be sure to check with your print provider to see what combination of quality, personalization, and volume it can handle. And remember — what you put on your envelope is just as important as what you put into it. **DM**

*Frank McPherson is president and h.d.m. of Custom Data Imaging Corporation (CDIC), which specializes in leading edge applications of high-speed colour variable data printing and "on demand" digital printing, finishing and mail services for 1:1 marketing and direct response mail programs. He can be reached at 905.415.2342 or by e-mail: hdm@customdataimaging.com.*

# Moving beyond tow trucks and TripTiks at CAA (Maritimes)

Here's how customer segmentation and Variable Data Printing helped stretch the brand to new product and service offerings.

**M**ost motorists would agree that calling for a tow truck can be the final frustration after a crash or conked out car. But at the Maritimes division of the Canadian Automobile Association (CAA) staffers have built an enviable reputation by providing the standard in emergency roadside assistance for more than 100 years. In fact, customer satisfaction is so high with CAA (Maritimes) that the organization currently serves over 140,000 members in Nova Scotia, New Brunswick and Prince Edward Island—roughly one fifth of all households in its market.

## Stretching the brand

But as the club grew and expanded its offerings to include travel services, insurance products and a member rewards program, CAA (Maritimes) found itself challenged to stretch its brand perception beyond roadside rescue. "A lot of Canadians still thought of us as the guys with the tow trucks," says Gary Howard, vice president of Marketing and Communications for CAA (Maritimes). "We wanted them to also think of us as cruise ships, life insurance and discounts." The group had traditionally relied on direct mail to acquire new members but about ten years ago, the marketing department began to notice lower response rates. Once-golden, the staff's intuition at selecting mailing lists no longer seemed to work. "We realized that we weren't being as methodical as we could have been when targeting the right people and avoiding the wrong ones," recalls Howard from his office in Saint John, N.B. "We had to get smarter at it."

To better identify its best prospects, CAA (Maritimes) contacted Environics Analytics (EA), a Toronto-based marketing analytics company. Working with the club's membership database, EA analysts first coded each member's file using the PRIZM<sub>CE</sub> geodemographic segmentation system and then profiled the members by lifestyle type. With all the members classified according to one of 66 lifestyle types—based on demographics, lifestyles and Social Values—the research revealed members were represented in 40 different segments, with 19 segments predominating. The PRIZM<sub>CE</sub> profile also highlighted the variety of CAA (Maritimes) members, ranging from Urbane Villagers (wealthy, middle-aged urban sophisticates) to Back Country Folks (older couples and families in remote downscale areas). The core clusters,

Fast-Track Families and Mr. & Ms. Manager, consisted of 30- to 50-year-old Canadians who have families, white-collar professional jobs and homes in urban areas.

## Sweet spot

From these segments, Howard's marketing team began creating sub-group profiles according to different behaviours: what CAA products they used, how they wanted to receive CAA communications, and how much money they spent on CAA services. The product analysis allowed them to identify the best clusters for a cruise abroad versus a family vacation to Disney World. "It makes little sense talking to a 21-year-old or 71-year-old about a Disney vacation," notes Howard. "You want to hit that sweet spot of a middle-aged family. Our goal is to offer the right product with the right message to the right people at the right time."

To help CAA (Maritimes) acquire new members, EA scored and ranked the six-digit postal codes in the group's service area to identify those that included top-performing PRIZM<sub>CE</sub> codes, and then sent the results to the group's list broker, Direct Media Canada. The broker matched the preferred postal codes with several dozen lists of direct mail responders who subscribed to magazines or bought products by mail. With the targeted postal codes, the broker could identify the areas where prospects matched both the PRIZM<sub>CE</sub> and list criteria.

## Customer segmentation

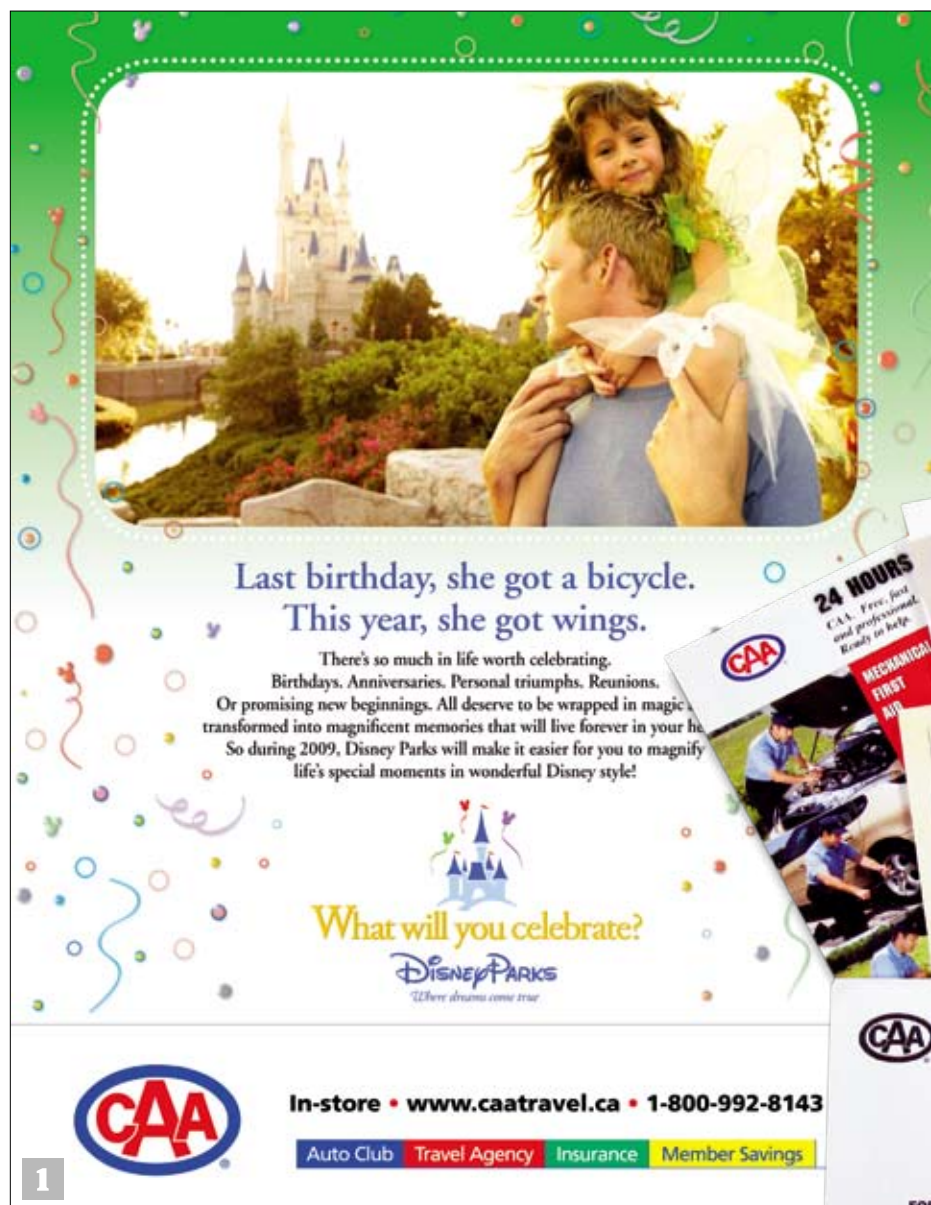
In recent years, the CAA (Maritimes) direct mail strategy has involved sending out three waves annually—in January, May and September—of about 100,000 direct-mail pieces with differentiated offers and messages based on the cluster profile of members. But rather than send general direct marketing pieces to 100,000 recipients, as it would have in the past, CAA began testing variable messaging and offers based on travel, savings, and general membership interests. In addition, the group started sending monthly e-newsletters to about 30,000 members who opted in for the service, targeting the

recipients according to their preference for different CAA products.

Since launching the customer segmentation initiative, CAA reports a sharp improvement in its direct mail response rates. The latest mailing resulted in a four percent return, according to Howard, a 60 percent improvement over past response rates. Just as important, the research has identified some clusters

#1 Disney Vacation Promotion Ad  
#2 General CAA Services Packet

In an effort to expand its services beyond the roadside assistance, CAA (Maritimes) uses differentiated messaging to reach its target audiences. To target its core prospects of 30-55-year-old, urban, white-collar professionals—members of PRIZM<sub>CE</sub> clusters like Fast-Track Families (upper-middle-class exurban Boomer families) and Mr. & Ms. Manager (high-achieving dual-income exurban households)—the group sent two different direct marketing packages. One mailer featured the varied services that CAA offers its member; the other included extra messaging and offers related to travel. Marketers targeted the Disney ad, by contrast, to the mothers of upper-income family households classified Pets & PCs (large upscale suburban families) and Upward Bound (middle-aged families in suburban comfort).



1



2

*"A lot of Canadians still thought of us as the guys with the tow trucks. We wanted them to also think of us as cruise ships, life insurance and discounts."* **Gary Howard**

that, while not yielding a lot of members, are home to active members who use multiple services. A case in point is Electric Avenues, a PRIZM<sub>CE</sub> cluster of young, upper-middle-class urban singles who are fans of roadside assistance and travel services. "We're looking not just at response rates but at levels of engagement, growing the member base among people who will stay with CAA," explains Catherine Pearson, EA's vice president of Business Development. "The clusters allow us to find sticky people."

Besides direct mail, CAA (Maritimes)

lifestyle section. And members who like CAA's emergency roadside assistance are also more likely to see the group's TV commercials on an evening drama like CSI rather than a daytime soap.

Going forward CAA (Maritimes) intends to use its segmentation findings to create a more manageable set of target groups. "We will continue to target down to the cluster level but we can't have forty distinct communications strategies," says Howard. "It makes more sense to work with five different macro-groups, speaking to each one with a certain message, a

certain creative and a certain tone." Already, CAA and EA have scored each member on measures of profitability, engagement and retention. In the near future, the marketing team plans to tap PRIZM<sub>CE</sub>'s Social Values research to develop targeted scripts to help the group's frontline staff members improve their communications with members and prospects.

"We never rely on one marketing channel to carry the load," says Howard. "We realize that you have to touch customers in a variety of ways to get their attention and get them engaged. PRIZM<sub>CE</sub> gave us the roadmap for both." **DM**

has applied its segmentation research to a range of marketing programs. Using PRIZM<sub>CE</sub> data linked to survey research from sources like PMB, the group has refined its media buy to reflect some surprising insights. For instance, analysis indicated club members who book Disney vacations don't tend to read the travel sections of newspapers; they're more likely to pick up a CAA ad in the

# INTHEMAIL

This column is sponsored by Canada Post.



## Building long-term rapport and return business

VDP underpins extensive CRM program. *By Kalan Vuksanovich*

**Do you need a Personalized Paydown Plan for your holiday bills?**

Dear <Client Name>:

For many of us, the warmth of holiday gift-giving has suddenly been replaced by a mailbox stuffed with fat statements from old friends M, VISA and M, Mastercard – reminding you what a fabulous time you had over the holidays. It can be enough to make you want to crawl under a fleece blanket and wait for spring.

We have a better plan. Most Canadians suffer with their highest debt load in January – as their holiday bills come home to roost. That's why it's the perfect time to talk about a **Personalized Paydown Plan**. It doesn't cost you anything, in fact, it could save you thousands of dollars in interest. We can help you consolidate and restructure your debt so that every payment you make actually goes further.

This may be the year to do it; we're still benefiting from one of the best mortgage environments in memory. Take a look at the interest rates on mortgages these days. Now look at what you're paying on your credit cards and other debts. You can actually power up your debt paydown by selling your credit cards, car loans, or any other high-interest debt into a new or existing mortgage.

We can assess your situation if you're worried about penalties to break your current mortgage. The savings each month often far outweigh any penalties.

Current situation	Debt	Monthly Payment	
Mortgage	\$155,000	\$992	
Car Loan	\$20,000	\$600	
Credit Cards	\$20,000	\$600	
<b>Total</b>	<b>\$195,000</b>	<b>\$2,192</b>	<b>Total monthly savings of \$925!</b>

After review	Debt	Monthly Payment	
New mortgage*	\$198,000	\$1,267	
Car Loan	Paid off	zero	
Credit Cards	Paid off	zero	
<b>Total</b>	<b>\$198,000</b>	<b>\$1,267</b>	

\* 25-year amortization, 5.9% rate, subject to change. \*Includes \$1,000 to break mortgage.

You can either use these savings to ease your monthly cash flow, or apply some of it to hammer your debts down faster than you thought possible. For instance, if you put \$400 of that cash flow into your mortgage payments, you'll reduce your amortization from 25 years to 15. By next New Year's Eve, you'll really have something to celebrate.

Sound interesting? Give us a call. No obligation, no pressure. Just one big opportunity.

Yours truly,

<Planner Name> -<Designation>  
<Title>  
<Phone Number 1> • <Phone Number 2>  
<Email>

**trust**  
1. Confidence and belief in the reliability, truth, ability, or strength of someone or something.

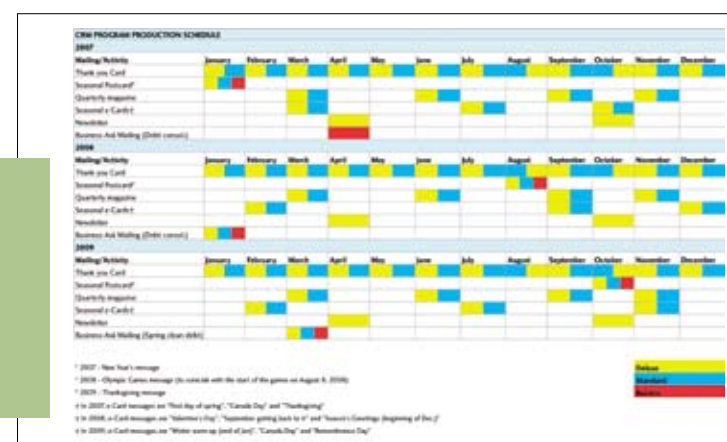
**Thank you** for your confidence and trust.

If you feel that your family or friends could benefit from our mortgage services, let us know, please let us know. We'll be happy to see our newest client.

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Here is a cross-section of just a few of MA's CRM program components based on variable data printing from FSAG's HP Indigo printers. (From left to right) debt consolidation services letter for holiday bills, customer thank you card, compliments magazine sticker, and also (bottom right) the CRM program's complex production schedule.

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### ABOUT THE CAMPAIGN

**Client:** Mortgage Architects  
**Campaign:** CRM (customer relationship management) Program  
**Agency:** The FSA Group

**Creative Director:** Anne McLaughlin  
**Copywriter:** Anne McLaughlin  
**Account Executive:** Mike Arnold

These days, mortgage brokers must "cross every 't' and dot every 'i'" to ensure the safety of homeowners' assets. With the overwhelming number of media messages forecasting economic gloom and doom, smart brokers are communicating regularly with their client base to alleviate uncertainty, and Canadian firm Mortgage Architects (MA) is no exception. There, VP of Marketing Kelly Neuber works tirelessly to repudiate customer anxiety and establish top-of-mind awareness for her company's 350 independent brokers, who operate in all ten provinces—placing mortgages for consumers.

For compliance purposes, mortgage brokers must affiliate themselves with a licensed firm. MA distinguishes itself from banks by equipping its brokers with a wide array of products from a vast resource of lenders, rather than providing a mere set of operating procedures and systems for them to follow. Neuber explains, "Say you went to TD Bank for a mortgage—you'd just get a TD mortgage. Our brokers have access to over 50 lenders, including TD, Scotiabank, CIBC and all the other independent lenders. Our brokers can shop around and provide a lot of choice and selection for the consumer." Ultimately, MA focuses on matching each customer with a plan that is ideally suited to their needs.

#### Business challenge

Given the extensive variety of mortgages available through MA, a typical customer is anyone in his or her mortgage years; a period that Neuber says ranges from "whenever a person seeks a first-time mortgage, right up until the last time he or she needs mortgage financing." Today, the age gap of mortgage holders is widening.

"People used to really focus on paying off their mortgage but that's not the case anymore," she stresses.

The key for mortgagors is to attract and acquire clients within their preliminary mortgage years, after which, it is more likely that these customers will return for assistance with subsequent properties and referrals to family and friends.

At MA, referrals are an important component of return business. "You have to have a certain minimum volume before you can join us as a broker," admits Neuber. In return for performance, MA provides incentives to its elite complement of brokers as well as optional administrative supports to help brokers achieve their peak performance. "With a lot of mortgage brokers, it's just about getting the next deal in the door and then [figuratively speaking] that customer is gone. Once your mortgage has been written, you're gone," she stresses.

To ensure clients would return to MA with their ongoing needs, Neuber was seeking a way for them to remain in touch with their brokers over the long term.

In early 2006, she enlisted help from Markham Ontario's FSA Group (FSAG), a company specializing in variable based printing, data entry and logistics. The goal was to construct an integrated, personalized B2C communications program that would maintain contact with clients throughout their entire mortgage cycle. "MA wanted to be talking to these customers on more of a one-to-one level," explains Mike Arnold, an account executive at FSAG. "It [MA] did not want to send a standard admail looking piece."

#### How it works

Together, MA and FSAG developed a program whereby a client is mailed different, personalized "touch points" such as letters, thank you cards, and magazines, at regular intervals throughout the life of the mortgage. Since the average term is three years, it made sense to develop mailers that maintained friendly contact without initiating many hard sells. The Customer Relationship Management (CRM) program was launched in late 2006 and this intricate program is currently in its second year of operation.

Individual brokers subscribe to the service. Once a customer has been "signed up" for a mortgage, the subscribing broker assesses whether a specific client is likely to generate future business. If the client has this potential, his or her name is added to the CRM mailing list. From there, the customer is sent a series of personalized pieces that span the entire three-year mortgage term.

As part of the program, new customers receive a sleek, colour printed 5"x5" thank you card in a non-windowed, invitation-style envelope within about a week of the sale. The card sports the digitally printed signature of the broker, along with all the relevant contact information. Although this piece may appear simple, it isn't. FSAG is responsible for printing thousands of thank you cards for MA's 350 brokers' clients. That's 350 digital signatures which have to be printed and mailed to each broker's respective new clients every two weeks.

Customers also get a free, poly-bagged home décor magazine every quarter. Each label is personalized and also

provides the name of the respective broker: "Compliments of Bill Brown, Your Broker from Mortgage Architects." Neuber underscores the wow factor of the piece. "That thing [magazine] gets handed around like crazy," she says. Arnold adds, "Hopefully, it sits around the house on the coffee table, or it might sit around at a doctor's office—anything to have the broker's name front and center."

#### Business ask

After clients have been enlisted in the program for one year, a more direct sales piece, "The Business Ask Letter" is sent out. This one page 8"x11" letter is personalized with the client's name, and the digital signature of his or her broker. Typically, it talks about refinancing options. "All the other touches are just nice, warm and fuzzy," notes Neuber. "This one gets the phones ringing." For example, during the third week of January 2008, the letter was timed to coincide with people's post-holiday credit card statements. Its headline, "Do you need a personalized pay-down plan for your holiday bills?" attracted real attention. The body copy featured information about MA's debt consolidation services. During the three-year term of the CRM program, two of these letters are mailed to customers.

Other "warm and fuzzy" touch pieces include three seasonal post cards, nine seasonal e-cards, and six newsletters. All together, 33 touch points can be mailed over the three-year period. When this series ends, the program can be extended

by two years. This will yield ten extra waves (two more Business Ask Letters, two seasonal post cards, plus six additional e-cards).

Currently, there are over 24,000 names on the internally derived mailing list. Each piece is personalized to a specific broker and sent to the appropriate client at the appropriate juncture in his or her mortgage. Thankfully, the HP Indigo printers used by FSAG make a rather complicated printing process quick and easy. These printers use ink rather than toner for pinpoint colour matching. Once data is fed to FSAG from MA's CRM lists, it is formatted by computer software, printed in both French and English, and then shipped.

While results obviously vary among brokers, there have been tangible returns in the first two years of the program. For example, 11,400 of the 24,000 plus names in the CRM program represent new clients. It is believed that these customers were generated between the fall 2008 magazine run and that of the previous quarter alone.

At a more microscopic level, individual brokers have benefited immensely. Neuber recalls, "One broker wasn't on the CRM program, and then he asked us for the [Business Ask] letter. I think he paid \$2,200 and he got \$40,000 of revenue out of it." Although still early in its evolution, MA's CRM program is already yielding interest and significant benefits for its brokers and their clients. **DM**

*Kalan Vuksanovich is an Oakville-based freelance journalist.*



# DMPEOPLE



## Stephen Hawes

TBWA\Wancouver is pleased to announce the appointment of **Stefan Hawes** as director of Client Services. Previously, he was VP Marketing at Coastal Contacts.



## Graeme Spicer

Adcentricity Inc. has announced that retail industry veteran **Graeme Spicer** has been appointed vice president of Retail and Media Partnerships.



## Tony Miller

Anderson DDB Health & Lifestyle is pleased to announce that **Tony Miller** is joining its team as executive creative director. He was formerly creative director at Smith Roberts Creative Communications.



## Linda Denis

Cossette West has announced that **Linda Denis** has joined the group as vice-president, general manager, Blitz Direct.



## Andrew Mitchell

LoyaltyOne has announced the appointment of **Andrew Mitchell** as vice president, Business Development. Previously, Andrew held a senior position with RBC Royal Bank.

## LISTWATCH

### BJR Group/International Data compile database

Thailand-based data compilers BJR Group and International Data Compile are offering more than 300 million consumer and business-to-business names on a wholesale basis. Data is available from 200 countries, including the U.S. and Canada, with 106 million and 8.6 million records respectively. Postal and e-mail addresses are available. Sources include direct mail and Internet surveys. Contact BJR Group, Porntaep Jerawatta (66-06-649-0397; porntaep@intlatacompile.com)

### Canadian Advocacy Donors to CSPI

Direct mail is the source for the names of 15,031 last-12-month contributors to this consumer rights and environmental organization. Selections: Hotlines, gender, FSA, province, state/SCF/ZIP Price: \$105/M Contact: RMI Direct Marketing Inc., 203-825-4631

### Canadian Lifetrend respondents

ListSolutions launched a Canadian consumer database with 88,842 names and postal addresses. It's derived from household survey data. Consumers provided data online in exchange for receiving additional information and offers related to their interests. The count is projected to double in six months and more selections are expected to become available. The file has a daily updating frequency. Selections: Six-month hotline, age, ailments, automotive, child's age range, consumer purchases, date of birth, education, entertainment, ethnicity, gender, hobbies, homeowner/

renter, household income, investments, lifestyle, marital status, occupation, pet owner, political affiliation, presence of children, travel, province, post code. Price: \$90/M Contact: ListSolutions, Sandy Ostrander (732-729-0500, ext. 17; sostrander@pmlistsolutions.com)

### Harte-Hanks International CiTDB

Worldata has been appointed to manage Harte-Hanks' international Ci Technology database (CiTDB). Segments offered include an international master file that identifies more than one million information technology executives at European and Latin American corporations. Postal and e-mail addresses and telephone numbers are available. Data is gathered from telephone interviews with IT professionals. Selections: Job function, hardware, software, industry, number of employees, annual sales volume, computer language, operating systems, geography by country Price: \$205/M (postal file); \$275/M (telemarketing file); \$375/M (e-mail file) Contact: Worldata, 561-393-8200

### TechRepublic Canadian master files

MeritDirect now manages Canadian postal (45,791) and e-mail (95,553) master files for TechRepublic. These information technology professionals registered at TechRepublic.com. Worldata formerly managed this data. Selections: Number of employees, gender, home/business address, industry, interest, job title, newsletter, special behavior, province.

## FIELDNOTES

### Ogilvy's "Diamond Shreddies"

"Diamond Shreddies" campaign dazzled the judges, and outshone the competition to win the Best of the Best Award at the 38th annual Canadian Marketing Association (CMA) Awards gala, held in Toronto and attended by over 2000 marketing professionals late last month. The multi-platform ad campaign, which was composed of TV, print, outdoor, web and PR - resulted in an 18% increase in baseline sales of Shreddies within the first month of its national roll out, compared to the previous year. Creatively, the campaign conveyed a humorous mistake at the Shreddies plant that resulted in the accidental creation of the "new" product. TV spots drove consumers to a dedicated Web site for recipes, a contest to win a real diamond, an interactive game, and the option to vote for "diamond" or "square" Shreddies. . . **Mindshare's** annual online research study, MORE 2008, demonstrates that the Web is an integral part of the purchase decisions for young adults. According to the report (which is designed to reveal how client communications are affected by the role technology plays in

the lives of Canadians) one-third of adults aged 18-34 use the Web for research prior to making a major purchase, and nine percent don't trust companies or brands that don't have Web sites. . . Many Canadians may be hoping for cash in their stocking, according to a new **Ipsos Reid** poll conducted on behalf of **PayPal**. Likely a result of the sagging economy, it appears that the gift of cash is on their Christmas list this year, with a majority (51%) 'agreeing' (18% strongly/33% somewhat) that 'compared with last year, receiving a gift of cash is more welcome'. Furthermore, 43% 'agree' (15% strongly/29% somewhat) that they would actually 'prefer to receive money over gifts'. . . According to **CyberSource Corp.**, e-commerce merchants are projected to lose a record \$4 billion to fraud this year, up from \$3.7 billion in 2007. Online consumer fraud is growing in tandem with online sales. However, the percent of sales lost to fraud has remained fairly stable at about 1.4%. The percentage of orders rejected due to the suspicion of fraud is projected to be 2.9% this year, compared to 4.2% last year. Smaller merchants with \$5 million to \$25

million in revenues typically are affected most by online fraud. Larger firms typically have higher (4.3%) order rejection rates, compared to smaller firms (2.4%). Larger size firms manually review about 34% of online orders, while smaller firms manually review only about 15% of orders. . . With encouraging signs during the first week of December, including solid retail spending numbers from September that advanced almost three times as much as economists expected, inflation nose-diving with prices in October dropping more sharply on the month than at any time in the past 50 years, an OECD projection that indicates Canada is likely in a technical recession right now but will weather a mild consequence until the summer, a new **Canwest News Service/Global National/Ipsos Reid** survey conducted during this timeframe appears to give credence to the view held by a majority of Canadians (56%) who 'agree' (20% strongly/37% somewhat) that most of the doom and gloom being expressed on the economy by supposed experts and in reports is 'really exaggerated' . . .

## DIRECT MARKETING UPCOMING ISSUES

### FEBRUARY

#### RECESSION-PROOF MARKETING:

Flyers/Coupons/Mail Order/ Inserts. These tools are targetable, measurable, inexpensive and effective in all kinds of economic climates.

### MARCH

#### RELEVANCE MARKETING

(Personalization, 1:1 ) CRM, Loyalty Programs Personalized, targeted messaging builds customer engagement and lifetime value while increasing conversion opportunities and brand loyalty.

To be a part of these issues contact **Mark** – 905.201.6600 ext.224 | [mark@dmn.ca](mailto:mark@dmn.ca)

# WORTHKNOWING

## Boston Pizza renews with AIR MILES

Alliance Data Systems Corporation has announced that Boston Pizza has signed a multi-year renewal agreement as a national sponsor in Alliance Data's Canadian AIR MILES Reward Program. With annual net sales of approximately CDN \$755 million, Boston Pizza has 300+ locations in every province and territory in Canada, and is one of the most recognized brand names in the Canadian food and beverage service industry. Boston Pizza has been a national AIR MILES Reward Program sponsor since 1993.

"Since first joining the AIR MILES Reward Program in 1993, Boston Pizza has leveraged the program's insights and the coalition's marketing efforts to support our growth strategy, while retaining and attracting new customers," said Joanne Forrester, vice president, Marketing for Boston Pizza, in a statement. "We look

forward to continuing to capitalize on our AIR MILES partnership through the delivery of targeted and relevant offers to our customers using joint-branded marketing communications, vehicles and initiatives."

"In the very competitive casual dining category, having a long-term partnership with Canada's #1 dining leader is a testament to the value we bring to significant brands," says Bryan Pearson, president, Alliance Data's LoyaltyOne business. "This renewal underscores the importance and role of coalition marketing in Boston Pizza's day-to-day management and long-term growth strategies. We are thrilled to continue our relationship with Boston Pizza. The casual dining category remains an essential segment of our Program."

## CHIP selects Northern Lights as direct response AOR

TORONTO— CHIP Home Income Plan, a leading provider of reverse mortgages, has named Northern Lights Direct Response as its Direct Response Agency of Record (AOR).

In this capacity, Northern Lights will lead the charge on the media management, creative and production for CHIP's DRTV and DR online campaigns.

"Northern Lights shares our passion for advertising that delivers measurable results," says Greg Bandler, CHIP's senior vice president, Sales and Marketing. "It has demonstrated its ability to help us grow our business. We were particularly impressed with its ability to integrate TV with online and significantly increase both leads and conversions."

"The integration of DRTV with online is essential to maximizing your investment in TV advertising," says Ian French, president of Northern Lights. "CHIP is one of the many savvy marketers who has embraced this trend and is already seeing positive results from it."

Northern Lights Direct Response is a leading brand direct response agency in North America. It offers full turnkey strategy, media, creative and production services in both the U.S. and Canada for Direct Response Television, Direct Response Radio and Direct Response Online campaigns. Clients include: Sports Illustrated, Manulife Financial, BMG Columbia House, Bell, TD Bank Financial Group, DIRECTV, Scholastic and Yves Rocher.

## Torstar reports loss in excess of \$2 million

Torstar Corp. posted a net loss of \$2.7 million Canadian (\$2.2 million) for the third quarter, compared to net income of \$8.4 million Canadian (\$6.9 million) in the prior year. The direct marketing and communications giant reported revenue of \$372.1 million Canadian (\$305.7 million) for the quarter ended Sept. 30, a 0.8% increase over \$369.2 million Canadian (\$303.4 million) last year.

The company reported that North America direct-to-consumer operating profits decreased \$300,000 Canadian (\$246.4 million) in the quarter.

Management said revenue growth in Internet book and digital sales was not enough to offset continued revenue declines in revenue in traditional direct mail.

"In the face of challenging economic conditions and trends, the third quarter operating results were down modestly," said Robert Prichard, Torstar CEO, in a statement.

## Air Miles Reward Program delivers bonus card

The Air Miles Reward Program is providing a new way for Sponsors and non-participating program businesses to utilize its non-monetary "currency."

Qualified businesses can apply to exploit the new Air Miles Bonus Card, which can be pre-loaded with reward miles and customized to feature a company logo. Businesses choose the denomination and distribute the cards to customers, vendors and employees, without the need for point of sale interactions. Recipients go online to deposit reward miles into their existing Air Miles account to save and redeem them as usual. (Two-thirds of Canadian households collect Air Miles reward miles.)

Bonus cards can be used to generate sales, reward good customers, recognize outstanding employees and develop goodwill, in addition to other applications. Turnaround times start at four business days from the time a company places an order, to receipt of cards.

- New Air Miles Bonus Cards are
- Preloaded with reward miles (choice of denomination is available)
- Customizable (company logo and/or cardholder identity can be added)
- Turnkey (immediately distributable, no IT programming or other requirements)
- Easy to manage (Customers can go online to deposit the reward miles into their accounts)

They can be used for various applications including: generating sales, rewarding customers, consumer promotions, employee programs, customer care, and channel incentives. For more information and to order Bonus Cards, visit [www.airmiles.ca/bonuscardsinfo](http://www.airmiles.ca/bonuscardsinfo).

## Delvinia-Acrobat Research Partnership launches powerful online syndicated survey

TORONTO, ON – Delvinia Data Collection, a leading online data collection firm that created and manages AskingCanadians.com, and Acrobat Research, a leading provider of market research services, have joined forces to combine their strengths and launch a powerful online syndicated survey, Acrobat's Omnitel Online. This unique partnership combines the savvy and deep panel sampling capability of AskingCanadians.com and the skills and credibility of Acrobat's Omnitel offering.

"Our panel is so well segmented and incredibly responsive," said Adam Froman, CEO of the Delvinia Group of Companies. "This is a great opportunity for companies

to engage a panel with such integrity and provide our panelists with a regular channel to share their opinions."

"To ensure Omnitel Online will have the validity Acrobat was looking for, we needed a partner with great depth and breadth," said Roland Klassen, President of Acrobat Research. "The AskingCanadians.com panel delivers exactly what we need and has the ability to meet the sampling requirements of the Omnitel brand."

AskingCanadians.com is a research engine that provides the market research industry with one of the most profiled panels in Canada. Hundreds of researchers rely on AskingCanadians.com for their

survey needs. For more information, visit the Delvinia Data Collection website at [www.delvinia.com/ddc](http://www.delvinia.com/ddc).

Omnitel has been one of Canada's leading omnibus services since 1986. Clients include multi-national companies, market research consultancies, public relation and advertising firms. Each week, Omnitel interviews 2,000 Canadians from across the country on a wide variety of topics – testing new product ideas, tracking product/service usage, gauging reaction to public policy, or evaluating proposed or existing advertising. For more information, visit [www.acrobat-research.com](http://www.acrobat-research.com).

## COVER-ALL acquisition continues with Postlinx

MARKHAM, ON— Cover-All Computer Services Corp. has finalized the purchase of Postlinx Corporation. The purchase marks the fourth acquisition by Cover-All of a document services organization in the GTA in just the last five years.

This is in addition to the purchase of SMART DM in 2007, Intelli-mail in 2005 and Vescom Ontario in 2003. The addition of Postlinx to the Cover-All group of Companies creates increased potential to existing clients and added value to any organization in the mail communication space.

The physical numbers after the acquisition, more than 325 employees and 200,000 square feet of office, production and storage across the Greater Toronto Area, pale in comparison to the aggregate experience across the new enterprise.

An integral part of the acquisition rationale was the fact that Postlinx has stringent procedures and retains ISO certification in its Scarborough facility. Services will include Managed IT, Web hosting, co-location services, Web-to-print, data processing, campaign



Mike Coverdale, president of Cover-All, says that quality and value to customers will be enhanced by his company's recent acquisition of Postlinx. The parent organization now has more than 325 employees and 200,000 square feet of office, production and storage across the GTA.

analytics, laser and inkjet imaging in various formats, variable colour, insertion, intelligent insertion, multi-station and master mailer, polywrapping and finishing (including tipping, and self-mailers), scanning, indexing, and shredding.

A full review of client needs and services will follow the acquisition with a plan to deploy combined services to market in 18 months. Although there is some overlap and equipment redundancy

that will create synergies, much of the experience will remain intact. The 18 month plan will set goals in facility streamlining, consolidation (although not definitive, the long-term intent is to retain at least two Document Service facilities for BCP) as well as wrapping the enterprise in a unified, yet still to be determined, brand.

As part of the announcement of the merger, Mike Coverdale, president of Cover-All remarked in a statement: "Since being founded in 1966 by James Coverdale, Cover-All has provided our clients with exceptional quality and value, both of which will be greatly enhanced by the acquisition of Postlinx. We continue to maintain a strong leadership position in the industries in which we operate and as a wholly owned Canadian company, we are all proud to be an integral and growing part of the mail communication industry in Canada. On behalf of our shareholders, employees and all other stakeholders, I would like to welcome all our new members to the Cover-All organization."

## New study indicates Canadian marketers going digital but carefully

TORONTO – A new study of marketers about digital marketing in Canada, conducted by Ipsos Reid for the Canadian Marketing Association, shows that some four in ten marketers (39 per cent) believe that "spending on TV will decrease over the next two years," reinforcing the current trend in growth of digital forms of marketing and the shift away from mass marketing to more targeted marketing approaches. Further, while digital currently accounts for only eight per cent of total marketing spend, two thirds (65 per cent) of the marketers surveyed strongly agree that their "senior management is very interested in digital marketing," which appears to follow market trends and the overall consumer appetite for accessing media through new technology. The survey results, released on the eve of the CMA and Marketing's Digital Marketing Conference, reveal that while marketers are broadening their priorities from traditional mass vehicles such as TV, to include more targeted Internet and digital marketing tactics, there exist both hurdles and opportunities for the marketing industry as a whole. "We increasingly see people consuming media in different ways," notes Steve Levy, president of Ipsos Reid in Toronto. "Thanks to the advent of personal video recorders, video games, the Internet, and other technologies, media consumption is now a much more active and less passive pursuit than ever before. It is no longer just about advertising on TV. In fact, today's consumer spends almost as much on devices and applications designed to help them avoid advertising as advertisers spend on advertising itself."

**Advertising Week in Canada, Cont'd from page 4**

**Clive Wilkinson**, architect, president and design director of AIA RIBA  
**Chuck Porter**, co-chairman of Crispin Porter Bogusky  
**Duane Varan** of Disney Media Lab and Murdoch University  
**Bill Tancer** of Hitwise, TIME magazine and author of "Click: What millions of people are doing online and why it

matters"  
**Emily Hare** from Contagious Magazine in the UK  
**Groundswell of support**  
 Advertising Week is made possible by the generous volunteer contributions of several leading agencies who are Founding Partners, including: DDB Canada (public relations services), Bos (graphic and Web

design, advertising, interactive and guerilla marketing services), Marketel (public service announcements), Publicis (Youth Day events), Cossette Communications (communications services and leadership of a luncheon for the financial community), and PHD Canada (media buying services).

The celebration is being spearheaded by the ICA, with support from the following Founding Contributors: Association of Canadian Advertisers,

Advertising Standards Canada, Canadian Marketing Association, Canadian Newspaper Association, Canadian Community Newspapers Association, Association Marketing de Montreal/PCM, National Advertising Benevolent Society, Radio Marketing Bureau, Association of Quebec Advertising Agencies, Interactive Advertising Bureau of Canada, Out-of-Home Marketing Association of Canada, Canadian Advertising Research

Foundation, and Canadian Media Directors' Council.  
 Key media sponsors include: Corus Entertainment, CTV, Canwest, CBC and the Toronto Star. Additional sponsors include: Leger Marketing, Puma, Transcontinental PLM, Colour Innovations, Pollination, Cinélande, 4WS, Studio Apollo and Sonart.  
 To purchase tickets or for more information, visit [www.advertisingweek.ca](http://www.advertisingweek.ca).

# Advertising Week Schedule - Toronto January 26-30, 2009

## Monday, January 26

8am - 10am  
**Founding Contributor Breakfast**  
 Art Gallery of Ontario

7:30am - 2:30pm  
**Leading Social Change – Public Sector Marketing**  
 MaRS Discovery District

12:00am – 2:30pm  
**Women's Advertising Luncheon**  
 Art Gallery of Ontario

6pm – 8pm  
**ICA Cocktail Party**  
 Jamie Kennedy at the Gardiner

## Tuesday, January 27

8am – 4:30  
**Canadian Industry Seminar Day "Advertising in the age of creativity"**  
 Atlantis Pavilion

6pm – 8pm  
**Marketing Hall of Legends**  
 Four Seasons Hotel

## Wednesday, January 28

8am – 3pm  
**University College Visits / Agency Open House**

8:30am – 12:00pm  
**The Power of Advertising**  
 Royal York Hotel

12pm – 1:00pm

## Financial and Communications Industry Luncheon featuring Sir Richard Branson

Toronto Filmport

3pm – 5pm  
**Association Events**  
 One King West

1pm – 3pm  
**Stimulant Creative Workshop**  
 Jane Mallett Theatre

## Youth Event for 19-30 yrs old

Steam Whistle Brewery

## Thursday, January 29

8am-9am  
**ICA Breakfast**  
 One King West

## Business of Ideas forum

Diesel Playhouse

8am 4pm  
**Independent Agency Forum**  
 9am – 2:15pm  
**PPM Symposium**  
 The Capital Event Theatre

2:30pm – 4:30pm  
**IAB Canada's Annual Canadian Media Usage Trends Report (presented by Rob Young, Sr. VP Planning Services, PHD Canada)**  
 Hilton Hotel

## Cassies

Arcadian Court

## Financial and Communications Industry luncheon features Sir Richard Branson

On Wednesday, January 28, from 12:00 PM to 2 PM at Toronto's Filmport Studios, world-renowned business titan and international marketing wizard, Sir Richard Branson will address an influential Canadian business audience on the economic value of advertising. "Sir Richard" has a reputation for building businesses and brands through advertising and communications. For more information or to reserve your seat, please visit [http://eventsonline.ca/events/adweek\\_calendar/](http://eventsonline.ca/events/adweek_calendar/). For more information about Advertising week, visit [www.advertisingweek.ca](http://www.advertisingweek.ca).



**With the millions of people we touch every day, Transcontinental can help you communicate with your market.**

Not only are we the largest printer and consumer publisher in Canada – we offer a complete range of services including: database marketing, e-mail marketing, world-class photography; prepress design and layout; distribution and fulfillment services – oh, and of course we print!

# article ▶▶ highlights

## Happy medium

Firms have difficulty obtaining the right amount of data to meet their needs. Too much data can also be a problem.

## Data overload

Redundant information can increase data collection costs and lead to endless analysis without producing intelligence.

## Establish data collection hierarchy

Basic information starts with name and contact information. Overlay data answers “who” and “where.”

## Getting to “why”

The closer your data brings you to the “who, what, when, where, and how” factors, the more effective your program will be.



# UNLOCK YOUR DATA

by Rick Brough

## How much data is enough?

The process of generating good data, and the right amount of data, requires central control of the database and a sound data collection hierarchy.

**T**his is a common question asked by organizations that are exploring the potential of customer centric marketing. The answer depends on the specific data that is available and the organization’s marketing objectives.

On the one hand, available data might be insufficient to meet all of the objectives, which leads to a discussion on data collection strategy. On the other hand, there are potentially negative implications from having too much data. This is a growing challenge for many organizations regardless of their size or experience with database marketing.

### Combating data overload

Data overload often results from collecting redundant information, which can lead to increased data collection costs as well as “project creep” where analysis goes on forever while analysts explore mountains of data. The problem, however, is not usually too much data, but rather too

knowledge into action.

Back to the question...

### Establish a data collection hierarchy

To help avoid data overload, it is important to understand that there is a hierarchy to data collection that provides the opportunity to perform increasingly advanced analytics. These help you develop a greater understanding of your customers and, therefore, the ability to provide relevant communications that build stronger customer relationships.

Basic information starts with name and contact information (address, phone, e-mail). Address information enables you to apply neighbourhood overlay data such as basic demographics from Statistics Canada. Overlay data not only provides more information about your customers, but also offers insights about where to find additional customers—the Who and Where factors.

income, gender and the like. While this type of segmentation might look sound on the surface, it often only scratches the surface of what is possible.

Knowing what they purchased can tell you a lot about their needs, preferences and possibly even lifestyles. You can base your market segmentation on the fundamental concept of people wanting or needing different things. Through analytics, you can determine what different customers want or need, thus enabling you to use your data to form segments. Then you can custom tailor your marketing communications to the unique characteristics of each segment.

Even for acquisition, we ideally identify behavioural segments of current customers, and then determine whether the customers in various segments share demographic characteristics that would enable you to identify prospective customers.

The key is to collect both behavioural and demographic data. The closer your data brings you to the Who, What, When,

*“To help avoid data overload, it is important to understand that there is a hierarchy to data collection that provides the opportunity to perform increasingly advanced analytics.”*

much—or inconsistent—information from data-generated reports. Additionally, no one is sifting through and synthesizing the information to create meaningful knowledge for senior management. Common causes are:

- Many data sources across the organization;
- Absence of a centralized data source, leading to potentially conflicting reports being generated from each system;
- No integrated organization structure, which leads to duplicated reporting efforts; and/or Insufficient emphasis on creating actionable knowledge.

In short, there is no defined process for translating data into information, information into knowledge, and

### Moving up the hierarchy

The next level of data identifies purchases and links them to individual customers. This data generally answers the What, When, Where, and How. Even knowing how much a customer purchases represents that customer’s value, and thereby provides an immediate basis for differentiating the offers and services you provide to each individual.

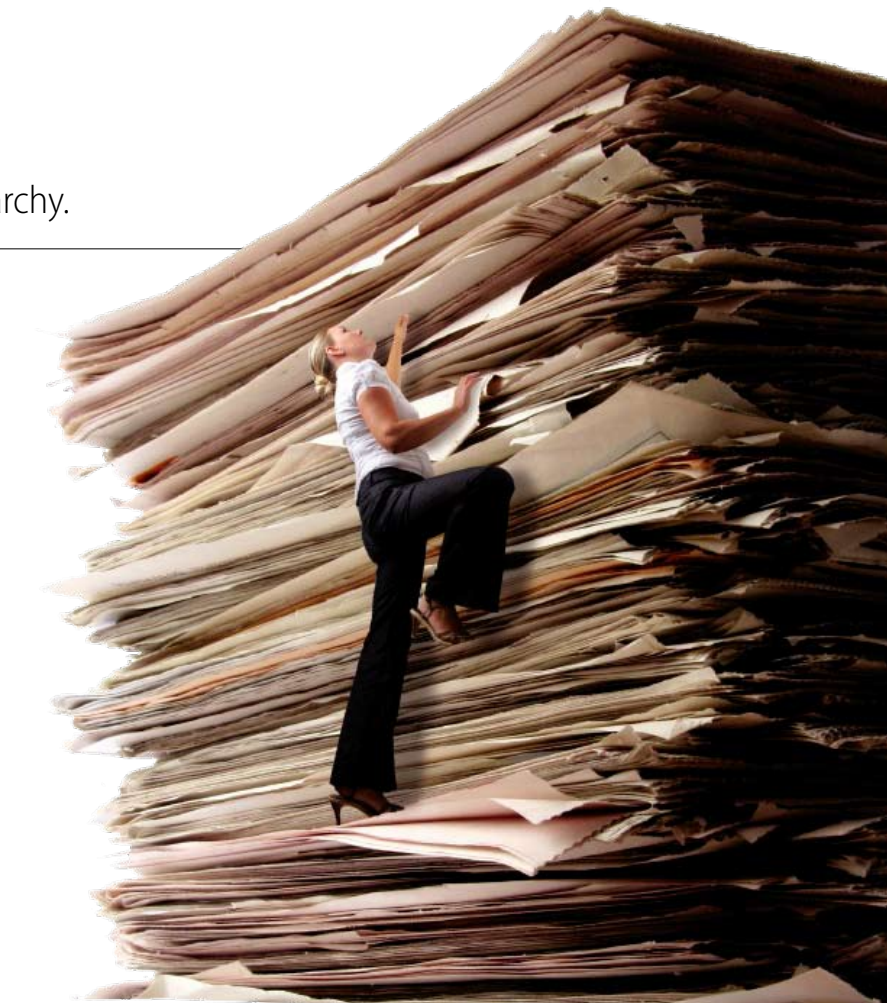
Market segmentation is one of the most basic elements of a successful database marketing strategy. For example, on the B2B side, many companies segment markets by SIC (Standard Industrial Classification) code and size of organization. And on the consumer side, you often find segments defined by age,

Where, and How factors, the more effective your program will be.

### The big “Why” question

Determining the Why behind purchases is always the most difficult, yet it answers the question about a customer’s needs. This is the database marketing Holy Grail, and the answer is either inferred from analyzing purchases or through information gathered from market research. Both approaches help, but are incomplete.

The market research approach is usually relevant to the customers included in the research, but difficult to project to the mass of a customer base. And the analysis of customer purchases is limited by only knowing what they purchased from you.



### Reaching the highest level

Now to add more complexity, the data collection should also relate to the company’s product/service offering. Let me explain. The companies that will benefit most from gathering and analyzing data are those with:

- Many customers
- Various products and/or services
- Frequent transactions with customers
- A high degree of differentiation in customer value

The higher your company scores in each of these categories, the more benefits analyzing customer data will deliver in marketing effectiveness and efficiencies. Put simply, the more customers, products, services, transactions and customer value variation, the more resources you should put behind data collection and analysis.

### The takeaway

The question of how much data is enough has changed over the years. With more data available to even smaller marketing organizations, the more frequent question

is “how much data is too much?” The process of generating good data, and the right amount of data, requires central control of the database and a sound data collection hierarchy. For customer centric marketing, the solution is to begin with good customer segmentation that identifies customer value, behaviours (needs) and potential. With these tools, the challenge of using the right information at the right time, and implementing marketing initiatives becomes an easier one to manage and you are more likely to achieve better results. **DM**

*Rick Brough is director, Product and Service Development for Transcontinental Database Marketing, ([www.transcontinental-dbm.com](http://www.transcontinental-dbm.com)), which provides database design and management, analytics, and campaign management to support such diverse industries as banking, insurance, wealth management, telecommunications, retail, publishing, travel, entertainment, packaged goods, and fundraising.*



# A comparative cost analysis of Canada Post postage increases for January 2009

An overview of pending changes that may affect your firm's communications and costs. *By Dave Ward*

**T**here are some dramatic changes scheduled for Canada Post Products in 2009. Of course, the extent to which you may be affected will depend on the nature of your business or organization and the types of things that you mail.

Although you cannot always avoid paying more in postage than you might like, you *can* do many things to tip the scales in your favour. As you read the following, consider how a slight change in weight, thickness, length or width might prevent you from marginally crossing a key threshold. For example, did you know that some coated stocks weigh about 16% more than plain paper?

This analysis discusses pending product changes and provides comparisons between the 2008 and 2009 rates for the following Canada Post products:

- Domestic Lettermail and the Status of Irregular O/S Lettermail
- Addressed Admail and the Integration of Catalogue Mail
- Publication Mail and "Distance" Rates for Letter Carrier Presorted Mailings
- New Structure for Unaddressed Admail
- Change in to Legal Notification Period for Addressed Admail and Publications Mail

## Domestic Lettermail and the status of irregular O/S Lettermail

The initial notification of changes from Canada Post indicated that they would be introducing Irregular O/S Lettermail as a new classification of Domestic Lettermail in January 2009. We have recently learned that this new product has not been approved and will not be implemented at this time. For those that are not aware, the new product would have included Oversize Domestic Lettermail items between 10 mm and 20 mm where:

- the item has box-like edges, or
- the short end will not bend around a curve with a radius of 140 mm without being damaged.

Other Domestic Lettermail increases are modest, ranging from 1.18% to 3.85%.

Note that some increases for Incentive Lettermail have been a little steeper and that pricing for items in the 31-gram to 50-gram category remains under review. For more information on Incentive Lettermail rates you can visit the Canada Post web site or speak with your Canada Post representative.

## Addressed Admail and the integration of catalogue mail

With the integration of Catalogue Mail into the Addressed Admail product line, the minimum number of pieces for catalogues weighing over 500 grams will plummet from 2,500 to 1,000. This is great news for some that mail catalogues in lower volumes and will also make phantom mailings for these items much more viable

(with a phantom mailing, you pay for the minimum quantity, regardless of the quantity mailed).

However, the maximum weight for catalogues will also be reduced to 1.36 kg. This means that catalogues exceeding this weight will have to be mailed at parcel rates, which are considerably more expensive.

In view of the foregoing, we will examine price increases for the current categories of Addressed Admail and we will *also* provide examples that will demonstrate the:

- favourable impact of the reduced volume requirements for catalogues weighing more than 500 grams
- significantly higher postage rates for catalogues weighing more than 1.36 kg.

Price increases for Oversize Addressed Admail items weighing 50 grams or less are modest, ranging from 2.22% to 2.92%. Interestingly, apart from Delivery Mode Direct (DMD), price increases for Short/Long are considerably higher, with the DCF level seeing an increase of 7.69%. This will have an impact on smaller mailings with broad geographic distribution. It is also worth noting that the cost per gram for items exceeding the base weight allowance of 50 grams will see increases of 11.11% and 8.7% for the Short/Long and Oversize categories, respectively.

Dimensional Addressed Admail remains cost-effective for the right types of projects, with increases ranging from 1.16% to 3.45%. It is also interesting to note that there have been no increases for the cost per additional gram surcharges for items weighing more than 50 grams.

## Catalogue comparison at a volume of 1,000 pieces

Currently, anyone mailing catalogues in quantities of less than the minimum must pay for the full 2,500, regardless of the quantity mailed. Although this can save money, it can also seem disproportionately expensive. The following illustrates the dramatic savings to be realized once the minimum becomes 1,000 pieces on January 12, 2009.

Mailing 1,000 Catalogues at 501 grams in 2008	Mailing 1,000 Catalogues at 501 grams in 2009
<i>Phantom component:</i> 1,500 X \$2.35 = \$3,525.00	<i>Phantom component:</i> None at this volume
<b>Pricing for Catalogues Mailed:</b> 1,000 X \$2.3517 = \$2,351.70	<b>Pricing for Catalogues Mailed:</b> 1,000 X \$2.3325 = \$2,332.5
<b>Total Cost \$5,876.70</b>	<b>Total Cost \$2,332.50</b>
Unit Cost \$5.8767	Unit Cost \$2.3325

## Catalogue comparison where weight exceeds 1.36 kg (minimum 2,500)

Catalogues come in a broad range of weights and sizes, with some larger scientific catalogues weighing 4 or 5 lbs. (1.8 kg – 2.3 kg). Currently, the maximum weight for catalogue mail is an astounding 22.7 kg. When the maximum weight of 1.36 kg is introduced on January 12, 2009, most businesses sending out catalogues weighing more than 1.36 kg will be required to mail them at parcel rates. Currently, it would cost \$3.0517 to mail a

catalogue weighing 1.37 kg. As of January 12, 2009, this same item would have to be mailed at parcel rates, likely in the \$10 - \$11 range, represent a percentage increase of over 300%.

## Catalogue comparisons at volumes of 2,500 pieces

To be fair, we must also compare "apples to apples" and take a look at mailing at or above the current minimum of 2,500 pieces for Catalogue Mail in 2009. It is interesting to note that at a volume of 2,500 pieces, there will be a slight reduction from \$2.3524 to \$2.3325, at a weight of 501 grams. However, at the upper limit of 1.36 kg, there will be an increase of about 3.5%, as the price increases marginally from \$4.512 to \$4.668.

## Publication Mail and "distance" rates for Letter Carrier Presorted mailings

With the advent of the new Local, Regional and National classifications for pre-sorted Publications Mail last year, we knew that respective price levels would follow this year. These rates are distance based, with higher rates for out of province addresses, intermediate rates for in province addresses and slightly better rates for items that are delivered through the actual station of deposit.

For items weighing up to 500 grams,

increases in costs related to reclassification at certain levels, rather than simply comparing increases in costs in the two categories from 2008 to 2009. Cost comparisons are as follows:

As shown in the tables, apart from transportation fees, postage for items that have been reclassified experienced the largest increases ranging from 11.52% to 14.29%. Transportation costs did experience the largest increases. This, of course, stems from the inordinate increases in fuel costs over the last year.

Domestic Lettermail			
	Current	2009	Difference (%)
Standard, Up to 30g	\$0.52	\$0.54	3.85
Standard, Over 30g up to 50g	\$0.96	\$0.98	2.08
Non-Standard/Oversize Up to 100g	\$1.15	\$1.18	2.61
Non-Standard/Oversize Over 100g to 200g	\$1.92	\$1.96	2.08
Non-Standard/Oversize Over 200g to 500g	\$2.65	\$2.75	3.77

National (out of province) rates have increased the most at around 6% to 7% at the lower sortation levels. In contrast, the increases for items weighing from 500 grams to 1.36 kg have remained under 5% across the board. Given this, it will now cost more to mail LCP pre-sorted Publications to further destinations. This has been the case with Publications Mail prepared via NDG sortation for several years now.

## New structure for Unaddressed Admail

The Unaddressed Admail product currently has separate pricing for Standard and Oversize mail. At this time, the rates in each category apply for delivery to both residential and business addresses and samples can be included in either category.

As of January 12, 2009, Unaddressed Admail will be restructured into the new categories of Basic and Premium Unaddressed Admail. The Basic category will consist of Standard size items that do not contain samples and are to be delivered to residential addresses using the "Upon Receipt" delivery option. Items that are Oversize, are to be delivered to business addresses, contain samples or use the "Specified Delivery Start Date" option will be classified as Premium Unaddressed Admail.

The structures for 2009 remain very similar to those for 2008, with the major differences being the reclassification of some items as Premium Unaddressed Admail, as noted above. This being the case, in order to provide realistic cost comparisons, we must look at the

## Change to legal notification period for Addressed Admail and Publications Mail

For many years, we have enjoyed a 180-day notification period for changes to the Addressed Admail product line and 60 days for Publications Mail. Effective January 12, 2009, this notification period will be reduced to 30 calendar days.

The implications of this are far reaching, as items that are in planning to be mailed at a later date (e.g. four months down the road), may be affected by changes to a product line and/or unanticipated rate increases. It will be absolutely crucial to stay on top of current rules and regulations and to keep an ear very close to the ground regarding any changes that may be in the offing.

## Summary

These are the changes for 2009 that we feel may have the largest impact on direct marketers. There are some benefits and there are also things that mailers will have to keep in mind. As always, it's the little things that often cost us more in postage than we might like. **DM**

*Dave Ward is president of Highland Marketing, a Waterloo Ontario based firm which provides a complete range of data and lettershop/fulfillment services to both smaller businesses and large multi-national corporations. The company also specializes in the areas of pharmaceutical fulfillment, proxy mailings and database restructuring. He can be reached at [dward@hiland.com](mailto:dward@hiland.com).*

## article ▶▶ highlights

### Simple economics

With a loyalty program you retain more customers and can increase the yield from them.

### Incremental revenue

The incremental margin is higher than otherwise due to incremental growth without additional fixed expenses.

### Measure success

Marketers use a net present value analysis to determine the success of their loyalty program investment.

### Model before launching

Most well executed programs reach break-even in 18 months or less; some do so within 12 months.



# LOYALTY LANDSCAPE

by Rick Ferguson

## Loyalty Nirvana:

The joys of a well-constructed financial model

**L**oyalty marketing economics are relatively simple. You derive two main financial benefits from a well-designed, well-executed loyalty program:

You can retain more customers. Given the natural growth of new customers from acquisition efforts and the reduction in lost customers from the loyalty initiative, your total number of customers increases over time. Customer value compounds over time and affords you a longer period to recover acquisition costs. You can model the financial benefit of retention by multiplying customer value times the number of retained customers. This financial benefit increases over time.

You can increase the yield from existing customers. Increased yield results from greater frequency, more spending

the gains. Account for all program costs, including rewards, and attribute the resulting benefit to your loyalty program.

Since this benefit accrues over time, marketers typically use a net present value analysis to determine the success of their loyalty program investment. Most well executed programs reach break-even in 18 months or less; some do so within 12 months. At that point, the return on investment accelerates as the retention and yield benefits deliver far more than they did originally. Expect difficulty in making money your first year because of the investment required to set up your database, systems and enrollment materials.

The key to operating a financially sound loyalty program, of course, is to model the financial results before launch. While your

*“The linchpin of your financial model is your program’s funding rate. Your funding rate corresponds to the percentage of member spending that you set aside for rewards.”*

per visit and higher price points per transaction. You derive this yield largely through gaining share of customer at the expense of your competition. You can model the value of the increased yield by multiplying the incremental gain times the number of members who change their behavior.

The incremental revenue from these two sources generates incremental margin for you. This margin will be higher than your current percentage because you accommodate the incremental growth without incurring additional fixed expenses. You must, however, subtract the variable costs of your program from

analysis must contain basic assumptions about enrollment, funding, program operating costs, retention benefits and increased yield potential, you’ll still find it extremely useful. The model helps you determine program feasibility, and it helps you establish the performance metrics you’ll need to monitor to determine financial success or failure. Throw all the numbers in the hopper, press the “print” button on your PC, and if the numbers come out in the black within that 12-18 month period, then you’re in business.

If they come out bleeding red, however, then it’s time to recalibrate your program. Keep trying until the numbers add up—or



you realize that the numbers won’t ever add up, and a loyalty play may not be for you.

The linchpin of your financial model is your program’s funding rate. Your funding rate corresponds to the percentage of member spending that you set aside for

rewards. Breakage will offset this cost and deliver a net funding rate lower than the gross. You fund the incremental program cost out of your marketing budget.

Your funding rate should maximize customer retention and yield at the

lowest net cost. Always be aware of your net funding rate, the percentage profit increase you derive from it and what impact, if any, you see when the rate goes up or down. These measures help you determine the true profitability of your program and the optimal funding rate required to change customer behavior.

There are, of course, other measures of program success, such as reward redemption and participation metrics. The percentage of your members who earn and redeem for rewards is a measure of program success. The percentage of your members who respond to your e-mails, or who participate in an auction or a survey, is indicative of member involvement, which usually corresponds to program success. Finally, if you’re running a tiered membership program, the percentage of members in each tier who move up to a higher tier over time is a strong indicator that your program is achieving desired results – both for you and your customers.

But the bottom line is always the final arbiter of success and failure. I’ve said it before, and I’ll say it again: loyalty marketing is measurable marketing. You can track, report, analyze and take corrective action on everything you do. You know what’s working and know the exact return on investment associated with your program costs. Over time, you’ll realize that the most important difference between loyalty marketing and your other marketing initiatives is the precise understanding of what you get for what you spend.

Measurement, however, requires discipline. You need tools for reporting and analysis, and a dedicated person within your organization responsible for periodic financial assessment of the program. Only through rigorous analysis can you truly achieve loyalty nirvana. **DM**

*Rick Ferguson is the Editorial Director for COLLOQUY. He can be reached at info@colloquy.com.*

# CLUTCH!

PROFITING FROM THE ONLINE REVOLUTION



Your **ONLINE CONVERSION** Challenge  
by Raquel Hirsch

## How the Obama campaign maximized online donations

It's not magic, just marketing strategies and tactics that work.

**R**egardless of what you think about the outcome of the November 4<sup>th</sup> American election, from a marketer's perspective there is one sure conclusion: the campaign marketing team did a phenomenal job with their "product." They struck a chord that resonated with their base and energized younger voters; plus, they were able to use social media successfully.

One particular area of interest to marketers concerned with e-commerce and Web marketing where the Obama campaign truly shone was fundraising.

Barack Obama obtained more than \$650 million in fundraising—nearly the combined total raised by George W. Bush and John Kerry during the 2004 federal election. In September alone, Obama's staggering \$150 million in donations more than doubled his previous record. According to Bloomberg, the campaign "obliterated every political fundraising and spending record in US history."

How did his campaign organizers accomplish this?

Naturally, the answer is complex and multifaceted. Yet, from a marketing perspective, the solution is very straightforward; providing strategies and tactics from which all marketers can learn.

### Broad-based appeal

First, the campaign went for the broadest possible customer base. It's easier to get one dollar from 100,000 people than to get \$100,000 from one person.

As early as February 2008, the campaign reported on its official Web site that more than 280,000 people had created accounts on BarackObama.com and from those online accounts, 6,500 grassroots volunteer groups had been created and more than 13,000 off-line events had been organized through the site. At that point, more than 370,000 individual online donations had been made (more than half of which were less than \$25 donations). All in all, some three million donors brought in the staggering \$650 million total.

To build the base, at every opportunity Obama volunteers "fanned through the crowd," gathering the names and e-mail addresses of people who could be asked for small donations again and again.

Then, the campaign focused on frequency marketing.

Once it had cultivated a broad base of engaged supporters via the Web, the Obama campaign went after the small donors early and returned to them often. Obama fundraisers collected \$8 million

online in the first quarter of 2007—quadruple the campaign's goal of \$2 million. Almost half of this money came from people contributing \$200 or less, compared with the 34 percent who contributed under \$200 to the McCain campaign.

### The "secret sauce"

All the considerable effort and money spent driving traffic to the site generated a given online donations rate. At WiderFunnel Marketing, we are convinced that campaign management saw getting more actions (i.e., more donations and higher average donations) from the traffic already on the Web site as its next challenge.

In an amazing bit of sleuthing, my business partner Chris Goward "discovered" how the Obama campaign successfully used a conversion rate optimization strategy to maximize online donations.

To optimize this online donations rate, or "conversions," the team deployed a conversion rate optimization strategy whereby it ran experiments and determined with scientific certainty what Web visitors considered the most relevant and timely content. In other words, by running statistically valid experiments, the Obama

team made data-driven decisions and progressively redesigned key Web pages.

As Chris discovered, the Web team used Google Website Optimizer to run multivariate tests on various pages of their site ([www.barackobama.com](http://www.barackobama.com)). Tests were run on the Home Page, the Donation page (still running at press time) and others.

**Figure 1:** shows a view of what the Obama team was testing. The red dashed line shows the placement of the SwapBox (i.e., the Google Website Optimizer section script) on the Web page.

**Figure 2:** shows what we have arbitrarily selected as the 'Control' – a dual dark-blue tee shirt

**Figure 3:** shows promotion Variation A - Single tee shirt

**Figure 4:** shows promotion Variation B - Modified lighter blue

**Figure 5:** shows promotion Variation C - Dual white tee shirts

**Figure 6:** shows promotion Variation D - No offer

### The winner: Barack Obama

Which offer variation worked best?

That, we don't know. In many ways, it doesn't really matter.

As marketers, the learning here isn't "You should always ask for a \$30 donation and offer a white tee shirt," because that learning isn't applicable to you or another political candidate, and it may not even be applicable to the Obama campaign in four years time.

The learning is that, just like with the Obama campaign, all Web marketers can make data-driven decisions (instead of leaps of faith) and progressively redesign key Web pages—or the entire site—based on facts.

In our experience, focusing on running ongoing conversion rate experiments for clients in a wide variety of industries and with a wide variety of business goals, we have learned one thing: testing always pays off in improved conversions. **DM**

*Raquel Hirsch is president of Vancouver-based WiderFunnel Marketing Inc., a unique marketing services company that helps clients convert their Web site traffic to actions that generate desired results. For more information visit [www.widerfunnel.com](http://www.widerfunnel.com)*



Figure 1: SwapBox Placement



Figure 2: Control

When you donate \$30 or more, you'll receive a limited edition shirt to show your support for change.

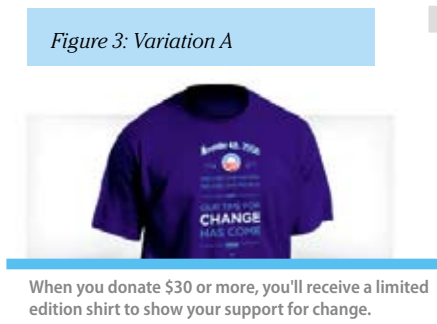


Figure 3: Variation A

When you donate \$30 or more, you'll receive a limited edition shirt to show your support for change.

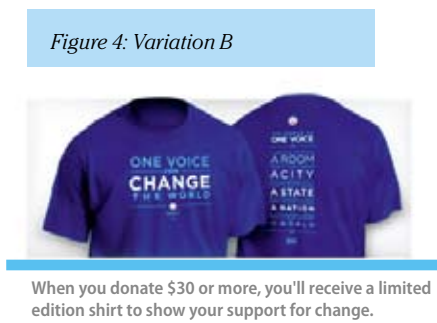


Figure 4: Variation B

When you donate \$30 or more, you'll receive a limited edition shirt to show your support for change.



Figure 5: Variation C

When you donate \$30 or more, you'll receive a limited edition shirt to show your support for change.

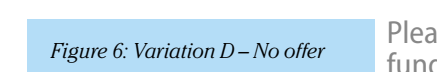


Figure 6: Variation D - No offer

Please make a donation to the DNC to help fund the efforts it undertook in 2008

When you donate \$30 or more, you'll receive a limited edition shirt to show your support for change.

# Using online customer experiences to drive sales

Here's how to derive tremendous value from your prospects' interactions with your Web site. *By Alan Gormley*



*Alan Gormley, director of Customer Intelligence Solutions EMEA Region, SAS, says that the more a company knows about customers' actions, needs and behaviours on its Web site, the better its chances of successfully addressing customers' needs.*

**F**or the average consumer, the world of marketing represents extraneous noise to be filtered out and discarded. All too often, we see too much irrelevant information being directed toward generic, pre-defined audiences in a scattershot attempt to "hit" as many people as possible. Truly, these were the dark days of direct marketing.

As we all recognize today, audiences are spending more time online and are in greater charge of their surfing habits and actions. In short, today's new breed of 21<sup>st</sup> century consumers are looking for experiences on their own terms, not to be spoken *to*, per se. Thankfully, direct marketing has also evolved. Businesses – especially those with an established online presence – do have the ability to interact with the individual, rather than an amalgamated representation. What was once missing from the equation is now readily available – a set of tools to extract this information and send it to those who can effectively use it.

There is often some confusion when it comes to how best to measure customer experience, particularly online. Many companies erroneously equate visitors' browsing habits with customer experience. They monitor all sorts of data and drill down and investigate such things as the top pages viewed, or how people arrived at their Web site or what the top products viewed were. This information is all aggregate, and while valuable for certain business decisions (Web design and navigation, server load balancing to

handle traffic, general promotions) it is hardly effective as a direct marketing tool.

Online direct marketing ideally ties the individual to specific actions taken on a Web site. Until relatively recently, the technology was not mature enough to incorporate all aspects of a customer's Web interaction and create a holistic view of the individual; one that would allow different business units to interact with them on a one-to-one and personal level.

## Monitor interaction

So how does this all work?

The idea is rather straightforward – monitor an individual's interaction with the Web site and gain value from it. Take banking for example. A bank has a great deal of information about its individual customers – how much they have in their accounts, balances on credit cards, history of paying off loans, and much more. Unless banks gain value from what a customer is currently looking for, it is likely to miss many opportunities for predicting customer needs.

Most banks have a mortgage or loan calculator (traditionally considered a value-add customer service tool) embedded in their site. But properly monitored and tied to the individual, the calculator also doubles as a great direct marketing tool. If customers log on to do some banking, and then use the calculator, there is value to be gained. The bank now can get a pretty good idea of intentions. If the customer is using the calculator to figure out payments on a

\$250,000 loan over 25 years it is almost certainly a mortgage they are considering; if they enter \$10,000 it could be for a home improvement project, a trip, or even money for a used car. The bank not only knows what amount the customer is considering, but also what amortization periods are being considered, and even what interest rates might be appealing.

It is important to understand that people's actions and needs online are a good indicator of their needs offline, and that the key is to connect the two. For the bank, it was to make sure this information was seamlessly pushed to the folks who deal with lead generation for its lending arm.

Having said that, it is important to remember that no matter how a company collects online information, it must respect privacy needs by offering the ability to easily opt out, as well as only collecting information that will be used rather than trying to gather as much information as possible in hopes of finding a use for it at a later date.

## Banking on analytics

In the UK, a leading European bank is using an SAS<sup>®</sup> Customer Intelligence solution to better connect with individuals and offer tailored loan proposals. The technology took less than two months to set up, and most of that time was spent creating specific business rules designed to interpret the data for the bank.

Close to 50,000 people visited the mortgage section of the bank's Web site, and of them, more than 8,000 were repeat

visitors who used tools such as calculators. Several thousand of these individuals were identifiable customers. Using SAS<sup>®</sup> Marketing Automation technology, the bank was able to push these leads to the proper departments, which in turn, could contact each customer, through a variety of channels – such as e-mail, direct mail, or personal call – with a tailored offer, including loan amounts, amortization periods, and monthly payments. This resulted in greater returns than traditional direct marketing campaign rates.

## Retail sales = customer details

It's not uncommon for an electronics customer to look at several products during their visit to a retail Web site, and buy only one. Traditionally, marketing activity would fixate on the item purchased and try to build the relationship based on that information. But what about everything that was viewed and *not* bought? Was there a critical threshold that was not met, that having been met would create an environment conducive to buying the product rather than leaving it behind? The shopper could have just been browsing, but knowing that he or she was looking at specific products or types of products now allows the company to supply tailored offers to the customer such as discounts, free shipping or coupons, that are tailored to overcome the buying threshold. These could even be correlated to previous buying habits on the site such as a propensity to react positively to free shipping as a motivator, rather than a

product discount.

On an individual level, the question may never be answered as to why an item was left behind in a shopping cart, but the more a company knows about customers' actions, needs, and behaviours on the site, the better chance it has at addressing them. In the end, most customers visit Web sites with a purpose or task at hand. If your company can fulfil that purpose, either online or off, you have lowered one of the bigger hurdles that stands in the way of successfully connecting with them on their terms. **DM**

*Alan Gormley is director, Customer Intelligence Solutions, EMEA Region, SAS. Alan works with organizations across Europe, helping them define and refine their strategy for applying Customer Intelligence. As such he has worked in all major customer focused industries to embed Customer Intelligence into business processes. As part of the SAS Customer Intelligence Management team, Alan is responsible for aligning SAS strategy and approach to market with client needs and advancements across Europe.*

# What are your Web analytics telling you?

How to use online consumer data to create customer segments and deliver more effective marketing messages. *By Lydia Martell*



*Lydia Martell says that as the future of media becomes increasingly digital, it will become even more important to understand customer data generated from Web sites.*

**W**e know that our customers are shopping online, according to one study, 80% of consumers research their purchases on the Web regardless of whether they buy online or go to the store. Yet how many of us are using the data generated by traffic to our Web site to gain insights on consumer behaviour and to fine tune our marketing messages to specific target audiences? If we treat everyone the same way, chances are we are not optimizing how we allocate our marketing funds and how we manage the user experience.

As the future of media becomes increasingly digital, it will become even more important for us to understand this data. Every page view, every search query and every item added to a shopping cart can become one more data point (referred to as Key Performance Indicators or KPIs) for us to use in customizing our marketing message and placement.

Contrary to what you might think, you do not need to be very digitally savvy in order to delve into the world of Web analytics. To make it even easier, one of the most useful Web analytic tools is free

of charge. Google Analytics is available at [www.google.com/analytics](http://www.google.com/analytics).

There are four easy steps to finding meaningful data outlined here below. Later, we will give you a concrete example from Conversys' Web analytics.

## Step 1 - Identify your goals

This sounds like a platitude but knowing what you want to achieve before you start goes a long way toward giving you focus and direction. A goal of increasing overall site traffic, versus driving sales to end-of-stock items, will yield very different approaches.

## Step 2 - Look for patterns

Review the Key Performance Indicators (KPIs) available to you. For example, Google Analytics provides over 80 different reports ranging from number of visits, average time on site, to country of origin. Decide which KPIs are the most closely related to your goals and observe if there are any patterns, e.g. when one KPI goes up, the other KPI goes down and vice versa. This process may yield surprising results and give you another view of your

customer that you had not realized.

## Step 3- Add time

Once you have found a distinguishable pattern, confirm it over time. This could be days, weeks or months depending on the data. Take as much time as you feel is necessary. The more comfortable you are with the pattern you've discovered, the more chances of success you will have in the next step.

## Step 4 – Test your theory

Here is where you get to have a little fun. If you make a change to Web page X, what happens to the KPI? Try to test your theory one factor at a time, or if you feel adventurous, try several factors at a time but always keep a detailed log of what you did and of the outcomes.

Conversys applied these steps to its own Web analytics using aggregate data from retail consumer electronic customers during the busiest time of the shopping year, the Boxing Day period between December 23, 2007 and January 3, 2008. Its flyers received over 350 million hits and averaged 4.5 hits per second

during the peak day of December 24, 2007.

Since the goal was to determine which factors influenced sales conversions, it tracked the KPIs which were considered the closest precursors to sales. In this case, the KPIs were "items added to shopping list" and "items added to shopping cart". Data analysis revealed that customers were adding smaller items to their shopping lists (ex. cameras) while bigger items were being added to their shopping carts (ex. flat-panel LCD HDTVs).

The company could theorize that consumers preferred to print their shopping list and go to the store to buy the smaller items (ex. cameras) while it was more convenient to purchase the bigger items (ex. Flat-Panel LCD HDTVs) online.

For a consumer electronics retailer, a variety of marketing programs could be implemented to test this theory. For example, the retailer could provide printable coupons to ensure that customers adding items to their shopping lists would actually go to the store. Or, they could offer shipping incentives to

encourage customers to purchase larger items online.

It did not take a lot of effort for Conversys to develop a simple theory that provided more information about its customers, allowing it to customize the message and potentially improve our goal to increase sales. **DM**

*Lydia Martell is an interactive marketing professional living in London, Ontario. She can be reached at [lydiamartell@gmail.com](mailto:lydiamartell@gmail.com).*



## article ►► highlights

### Budget cuts

One of the simplest, although not the smartest, ways to cut spending is to reduce marketing budgets.

### Unexpected boom

Expect increases for 2009 as the Internet steals dollars and share from conventional direct response media.

### Trends for 2009

Focus on acquisition, conversion tracking and personalization to increase response.

### Focus on education

Digital media sales teams will need to be more consultative to educate marketers.



# WEBINSIGHT

with Jay Aber

## 2009 Outlook Here's what I expect

**I**t's become something of a tradition for me to use my last column of the year to talk about the next year. With few exceptions, these columns typically paint a healthy outlook for the next twelve months. But as I sit here in mid-November writing this piece, about the rosier prediction I can come up with is that the Internet marketing world in 2009 will be... uncertain.

I agree with the majority of pundits who feel that Canada will be hit with a somewhat milder form of economic downturn than much of the rest of the world is experiencing currently. The worldwide slowdown, record declines in the stock market and a spooked consumer all add up to a pessimistic economic view for 2009.

### Budget cuts likely

Poor business forecasts and uncertain times usually mean budget cuts. One of the simplest, although not necessarily the smartest, ways to cut spending is to reduce marketing budgets. We are already hearing anecdotally that Canadian businesses are cutting 2009 marketing budgets substantially as Canadian subsidiaries of non Canadian corporations are looking to repatriate as much profit as they possibly can to make up for shortfalls worldwide; the manufacturing and auto sector face huge survival challenges; and Canadian, non-manufacturing businesses are cautious—waiting for the weak results to arrive.

So, if marketers have less money to spend on advertising and promotion in Canada in 2009, yet remain under pressure to deliver results, what will the major impact be?

### Prediction

Marketing budgets will be reduced for branding and awareness campaigns, while those channels that deliver a quantifiable ROI or result—like Internet advertising, direct mail and other direct response channels—will see stable or even

increased funding. Of all the channels, I believe 2009 will be a good year, at least comparatively, for Internet-based direct response marketing.

As Canada's only Internet-based direct response agency, we see that most of our clients are bucking the trend. Instead of budget reductions, we are seeing increases for 2009 as the Internet continues to steal dollars and share from conventional direct response media.

The reason for the shift is simple. Many of our clients are now achieving their acquisition goals on the Internet. After several years of testing, many have developed a "Web Control Package" that delivers reliable, profitable and replicable results. When you overlay the Internet's core marketing benefits of 80%+ monthly reach of Canadian adults, quantifiable and trackable results, relatively low cost, tight targeting, quick implementation speed and scalability—it is not a huge surprise that in an era of economic turmoil—direct marketing dollars are moving to the Internet. After all, acquisition-based spending is usually the last budget to be cut, and the Internet looks like a safe bet versus the increased cost and declining results for conventional direct response channels.

Now let's see what some of the industry experts expect next year:

### E-mail trends for 2009: Heightened focus on acquisition, conversion tracking and personalization to increase response.

Once again, companies expanded their use of e-mail marketing in 2008. According to a leading Internet research firm, nearly 80% of marketers now use e-mail. Since they have embraced e-mail marketing as a key business tool—one that yields a strong return (according to the DMA) of up to \$48 for every dollar spent—2009 will likely see the following developments:

### Expanded use of e-mail to customer acquisition.

Marketers have largely

focused on using e-mail as a tool for strengthening relationships with existing customers to increase 'share of wallet' and size of average sales. In 2009, marketers will also leverage the unique power and cost-effectiveness of e-mail to identify, pursue and secure new customers.

**Focus on demonstrating cost-effectiveness.** Because of increased pressures to demonstrate the positive return and impact of every campaign, marketers across all industries will build on their skills at gathering, interpreting and quickly acting upon e-mail metrics. At the same time, the historic weight placed on e-mail metrics such as opens and clicks will shift to an increased emphasis on campaign-specific conversions.

**Leveraging customers' real and evolving needs.** Since customers and prospective customers will only act upon messages that are relevant and timely, marketers will take advantage of the flexibility and instant measurability of e-mail to personalize their campaigns. This is in line with a 2008 Aberdeen Group study, where 96% of surveyed companies believe that e-mail personalization improves marketing performance.

Source: Chris Carder, president, ThinData.

### Digital will likely gain increased share of budgets as marketers are pushed to demonstrate ROI

In 2009, consumers will likely demand a more tailored and relevant experience from brands online. The prescription for marketers in a slowing economy is to increasingly use digital to connect in smart and meaningful ways that can be directly attributed to business results.

Consumer reliance on the Internet, from socializing to shopping, has forced marketers to get better faster. In 2009, it will be critical to reinforce the business case for digital and

continue to gain share of the marketing budget. This means accelerating the use of various marketing disciplines, as well as mashing up traditional marketing efforts, to demonstrate the effectiveness of the medium.

In addition, this is the year for online marketers to speak the same language as the CFO, communicating tangible benefits like rapid cycle testing and shortened time frames for measurement and improved ROI. Think spreadsheets, not speeches. The larger challenge as an industry, as in past years, will be to communicate metrics in a straightforward and cohesive way.

Source: Michael Seaton, vice-president - Digital Marketing, Thornley Fallis Communications

### Canadian affiliate marketing will attempt to "catch up" to US as marketers need to base spend on performance increases

The circumstances seem right for 2009 to finally be the year of affiliate marketing. With the uncertainty of the economy, marketers will more easily be able to justify spend on performance based marketing like search and affiliate. As it pertains to e-commerce, more US-based merchants searching for growth in a slow US economy will be opening up to Canadians. These American businesses will bring their existing affiliate marketing programs with them as one of their many tools and Canadian retailers will either be proactive or reactive (hopefully the former). The Year 2009 will be a catch up year for affiliate marketing in Canada.

Source: Derek Szeto, president, RedFlagDeals.com

### Digital media sales teams will need to be more consultative to help educate

### marketers

No doubt 2009 will be a tough year. Difficult economic times will likely place increased pressure on performance and effectiveness evaluation. The year should be good for digital, but advertisers will continue to demand and require from their suppliers more creative ideas on how to reach consumers with depth and in creative ways and they will want to truly understand the value of what they are paying for.

As more marketers contemplate or shift budget to the Internet, agencies and publishers will need to meet the ongoing need to educate and drive learning of digital's role with other media and as a stand-alone direct marketing tool. As the front line in educating marketers, media salespeople need to be more consultative in their approach, focusing on client interests, and not simply taking orders.

Source: Brent Bernie, president, cMM Canada, comScore, Inc.

### Happy Holidays!

Thank you for reading my column this year. I hope you find it to be interesting and useful. I am always looking for column suggestions, so please e-mail your topic suggestions, comments or questions to me. [DM](#)

*For more than 13 years, Jay Aber - president of The Aber Group, has been advising Canadian marketing executives on how to use the Internet to create successful direct marketing campaigns. The Aber Group's team of Internet direct marketing strategists, online media experts, and paid search engine marketing pros develop, execute and optimize online direct response campaigns for a broad range of blue chip clients. For more information, contact jay@abergroup.com or 416-322-2909 x222.*

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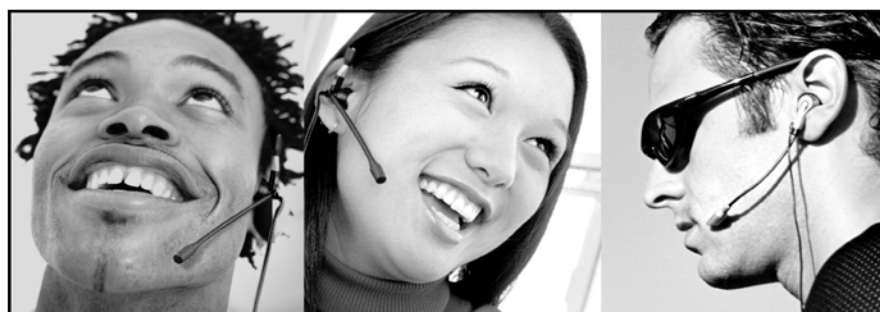
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# DIRECT & PERSONAL

by Billy Sharma

## Richard Toker

The story of an open book.

**A**bout nine years ago, I met Richard Toker when he worked at Bimm Communications Group. I was so impressed that I have kept in touch with him for all these years but have always wanted to get to know him better. Finally, I got the chance when we connected recently for this interview. What I learned was that his life and his achievements are like an open book.

### Richard Toker is an avid reader.

He told me, "I try to maintain a steady diet of fiction and non-fiction plus magazines. I'm a bit of a magazine junky. I read *The New Yorker*, *Business Week*, *Advertising Age*, *Paste* (where I discover all my new music) and *The New York Times* regularly. When it comes to books, I tend towards literary fiction and the more theoretical or scientific variety of business books such as Dan Ariely's *Predictably Irrational* or Clay Shirkey's *Here Comes Everybody*. I guess I go from one end of the spectrum to the other."

This is not surprising because he graduated with an honours degree in English Literature from the University of Toronto.

"I was planning to do a Master's degree and go on to a career in teaching. To raise money to go away to school, I got a job at a marketing research company, where I wrote brand and advertising tracking reports and customer satisfaction studies. The latter especially intrigued me and it was the beginning of a career-long

obsession with customer experience. Overall, I really liked marketing research and the broader world of marketing and communications.

**"Every communications channel can help tell the story and create or sustain a dialogue and thereby extend and enhance the customer experience." Richard Toker**

obsession with customer experience. Overall, I really liked marketing research and the broader world of marketing and communications.

"I knew I was on to something when I made the transition from marketing research to advertising, and direct response, and joined Ogilvy & Mather Direct Response in the mid-eighties."

### Richard has worked on many great brands across numerous sectors.

"Maybe it's the long copy that drew me to direct marketing, but I have been able to leverage my passion for and skill in crafting narrative strategy and ability to put myself in the shoes of the customer, in order to develop brand communications that resonate for customers.

"I led the development of a segmented customer communications e-mail program for Rogers Wireless customers when I was director, Direct & Interactive Marketing, in the Brand and Marketing Communications department. This was

a monthly e-mail going out to about one million customers. It was segmented by type of customer and featured dynamic content. We worked closely with the Rogers Customer Base management team and Wunderman and won a Gold CMA Award in 2007.

"This program was among dozens of lifecycle management and communications programs that helped drive record customer revenue and reduce churn for Rogers Wireless. My role was to lead part of the marcom team on strategy development and project management; ensuring brand consistency and overall communications best practices. After many years in the business, I had developed great instincts for this and had learned to trust them. I feel that's often the difference between good and great. You can have the correct instinct but it takes some maturity to trust it and go with it."

### Richard has worked on both the agency and client side of the business.

"During the '90s, I was at Bimm Communications Group. Like Ogilvy a few years earlier, this was a special time in my career because I was able to put a big check mark against an important personal goal: to get a good grounding in entrepreneurship. I have always had an entrepreneurial bent and knew I wanted to pursue it. Brian Bimm is the ultimate entrepreneur and he really taught me everything about running an independent

agency. I have many fond memories of pitches and projects for the likes of HP, Pitney Bowes, Scotiabank, Philips, Fantom Technologies, Fuji and The Loyalty Group. We were a small team, relative to the big agencies, but we did some pretty big things.

"Some of the great memories from my time there are the launch of Fantom Technologies' first Web site and subsequently its first e-commerce site. Another was a fun little campaign we did for Philips to launch a new wet-dry shaver. I think it was the first time ever that Philips sold something online. We also created a number of very successful B2B dimensional door-opener campaigns for Scotiabank, The Loyalty Group and Dun & Bradstreet, among others.

"Once we even did a cool dimensional for Air Miles for Business. The package contained a real airline seatbelt. We had no idea what regulatory hoops we would need to jump through to clear a shipment

of seatbelts over the border. We were asked if we were manufacturing aircrafts, how big the planes were, how many passengers, etc. We barely made our mail date! But it was a great success."

### Richard believes the future must involve online marketing.

"Over the past number of years, I have been more and more involved in online, including search, display and social media. I just want to keep going in this area but continue with my focus on customer experience. Today, all roads lead to the Internet, to mobile connectivity, information and entertainment. The way I see it, today everything has or should have a response mechanism – whether it's a URL, toll-free number, an sms code or a QR code. Every communications channel can help tell the story and create or sustain a dialogue and thereby extend and enhance the customer experience. Everything is measurable and optimizable. So, to a degree, it's all DM today! And, of course, it's still all about telling a good story in an artful way."

### Richard is a true Torontonian.

"I was born in Toronto. I am the youngest of three. I am married and have four kids – three boys and a girl, ranging in age from five to 17.

"In our family keeping in touch is very important and so 'staying connected' is a concept that is very natural to me. We are close with our parents, our siblings and

many nieces and nephews. Family life is rich and vibrant. My wife Judy really keeps me inspired and grounded.

"Judy works as an art director and prop stylist in the TV commercial production business so we also enjoy sharing our perspectives about brands and campaigns; and the kids provide me with my own little focus group when it comes to new technology and also customer experience. Kids put things in the simplest terms. The other day my five-year-old son was helping me with the laundry. As I was pulling clothes out of the dryer, he asked if he could get the stuff from the wetter. That's what it is, right?"

### He loves to ski and is a big baseball fan.

"I am an avid skier. My idea of a dream wintertime existence is to take off every few weeks and go someplace exciting to ski.

"Last March, I skied with my brother and a friend in Vail. The conditions were epic! This winter, I will be in Aspen and Whistler.

"I also adore baseball. I wasn't much

of a player but I'm a great spectator. I also enjoy reading about it. One of my favourite books is *Moneyball* by Michael Lewis. I recommend it to students. Really it's a business book first and a baseball book second."

### Richard is very involved with the CMA.

"I have taught direct and digital marketing for the CMA and the ICA for some time now and I really love it. I also sit on the CMA Education Committee and help to develop curriculum for the Certificate Program. This too is part of the 'narrative' or 'story-telling' theme in my career. I really enjoy bringing to life marketing strategy and the intricacies of the direct and digital channels for an audience that is motivated to learn and advance in their careers. I also find that it motivates me to keep learning: I have to stay on top of what's working and why and be able to explain that to the students."

### He feels indebted to many people.

"I have many people in my life that I am thankful for and who have been big influences for me. In business, John Wright, Mark Weisbarth, Brian Bimm, Carolyn Meacher, Suzanne Filiatrault — all great marketers and amazing people to work with.

"In my personal life, I have my parents and in-laws, my siblings and my wife Judy. I have a wide network of friends. My closest friend and confidant is Michael Davis, a great entrepreneur, intellect and family man. All have given me gifts of insight and inspiration at one point or another. But the greatest of all is, of course, my wife Judy, who is my hero, my conscience, my number one fan and my own personal comedian."

### And now there is a new chapter in Richard's career.

"My career path has always been about the narrative, whether books or brands. Along the way two other influences have emerged for me that set me up to do what I'm doing now: technology and customer experience. I even came up with my own word for it: *customerbility*. It refers to the ease and satisfaction with which customers can get, understand, use and enjoy products and services. It's like usability but with the focus on the customer instead of a Web site or device. Customerbility is about how easy, rewarding and satisfying it is for customers to:

- Find you;
- Buy you;
- Understand you;
- Use you;
- Get help, information or advice from you;
- Buy more from you;
- Like you; and



Richard Toker believes that if literature is the study of great stories well told, then marketing communications is about great stories – or brands – well conveyed.

Love you.

"Increasingly over the years, I have been drawn to technology categories and brands (Rogers, IBM, HP, Fuji, etc.). Working at Rogers was the ultimate because I got to be part of the mobile communications revolution at an incredible time for the industry and Rogers. And I got to play with the coolest devices!

"At the same time, I found that the retention side of communications (vs. acquisition) was the big turn-on for me and within that, specifically, customer experience.

"Today we have the communications know-how and tools to truly improve and influence the relationships that all brands – especially tech brands – have with their customers. And, we understand the potential and significance of taking a lifecycle approach to managing customers and measuring customer value.

"Recently, I had a Eureka moment which led to the founding of a new business called Howclip Video Manuals. We create how-to videos for products that come with instructions... because nobody has ever had a good user manual experience... and video is easier to read!

"In addition, I am doing a lot of consulting work. Clients include a major computer manufacturer, a telecom, a professional sports league and a not-for-profit. I love consulting right now but the long-term goal is for Howclip to take off as a significant marketing service enterprise.

"In developing Howclip, I wanted to mesh my direct and digital marketing communications know-how and passion for customer experience with filmic creation and production. I have aligned myself with some of Toronto's best in that area and I'm really excited to move into this next chapter in my career.

So now that I have gotten to know Richard a bit better, I can see what fascinated me about him in the first place. He is truly a novel person and an open book. **DM**

Billy Sharma is president and creative director of Designers Inc., Toronto. He can be reached at 416-203-9787 or by e-mail at [designersinc@sympatico.ca](mailto:designersinc@sympatico.ca)





# EMAIL ADVISOR

by Chris Carder

## 2009: The year to focus on marketing relevance

While senior marketers embrace the idea of delivering relevant marketing messages, their challenge remains how to do it most effectively. Here are five actionable items that will ensure your e-mail marketing messages are consistently relevant.

**R**ecently, I led a roundtable about developing effective e-mail strategies with some of Canada's leading marketers. The lively discussion revealed that these professionals, regardless of what media they are most comfortable using, are increasingly committed to ensuring their marketing messages are relevant. This is a positive and dramatic development given that just a few years ago, the predominant concern had been about chasing the "perfect e-mail frequency".

E-mail marketing, whose prominence in the marketing mix has steadily increased

when messages are irrelevant.

### The challenge

The challenge for the increasingly digitally savvy marketer – across all industries and levels of seniority – is how to ensure their messages are consistently relevant. To assist marketers in cost-effectively generating and sustaining relevant e-mail marketing content – and thereby truly make 2009 the year of marketing relevance – here are five critical elements that all marketing managers, directors and vice-presidents need to consider when developing their e-mail campaigns:

and flag them accordingly. This presents a wonderful opportunity to capture an audience's attention more frequently and within the context of where the e-mail recipient is reading your communications.

### 2. Design for various technologies

With the proliferation of smart phones, netbooks and other hand-held devices, e-mail is not only being accessed in different locations, it is being viewed on technologies that render content dramatically differently than when viewed on traditional desktop or laptop computer screens. Therefore, in order to

demographic segment that is increasingly using established online social networks to complement how and why they use e-mail. For this group, user-generated content (e.g. product reviews) plays an important role in shaping perception and making purchase decisions. As a result, developing relevant messages for this segment involves tapping into (i.e. listening to and influencing) communities.

### 4. Personalize messages with dynamic content

The more you interact with customers and prospects, the more they come to equate relevance with personalization. A 2008 Aberdeen Group study found that 96% of surveyed companies believe that e-mail personalization improves marketing performance. However, fewer than 40% actually take advantage of its full potential. That presents a tremendous competitive advantage for marketers who introduce personalization by delivering offers that vary according to criteria such as lifetime customer value, previous purchase behaviours and stage in the purchase cycle.

To create and sustain personalized messages, leading companies are now adopting "dynamic content" i.e., e-mail that automatically configures and customizes components to suit each e-mail recipient or audience segment – in order to achieve the

rapidly growing expectation of personalized and relevant messages.

### 5. Use metrics

One of the reasons why e-mail has grown in prominence as an essential business tool is the ease and speed at which e-mail campaign successes can be measured. Today, e-mail metrics have become sophisticated enough to identify specific response actions that allow us to determine individual level of engagement. Some of the metrics that help you hone the relevance of your e-mail messages include: the number of unsubscribes over a period of time, the times that e-mails are re-visited and, ultimately, conversion rates.

Given the dramatic lift in business results that accompany delivering relevant content and the increased pressures to deliver substantial and quantitative results, in 2009, smart marketers will focus their efforts on enhancing ways to capture better data along with focusing on delivering consistently pertinent content.

*Chris Carder is president of e-mail service provider ThinData, a Transcontinental Company ([www.thindata.com](http://www.thindata.com)), a leading authority and supplier of e-mail marketing technology, strategy and creative services. He can be reached at [president@thindata.com](mailto:president@thindata.com).*

*"...in 2009, smart marketers will focus their efforts on enhancing ways to capture better data, along with focusing on delivering consistently pertinent content."*

over the last few years, has been at the forefront of delivering relevant messages. In part, that's because as far back as 2005, research overwhelmingly demonstrated that sending relevant e-mails leads to dramatic improvements in revenues and net profits. At the same time, e-mail marketing has had to effectively anticipate and successfully meet customers' needs because recipients can easily unsubscribe

### 1. Leverage larger data-sets

According to recent research, 70% of e-mail users actually have more than one e-mail account. Typically, that means one e-mail address accessed at work and at least one active address used at home. It will become increasingly important that marketers' databases be able to capture multiple e-mail addresses for each customer

be most relevant, e-mail content needs to be tailored to the limitations and unique capabilities of these mobile technologies.

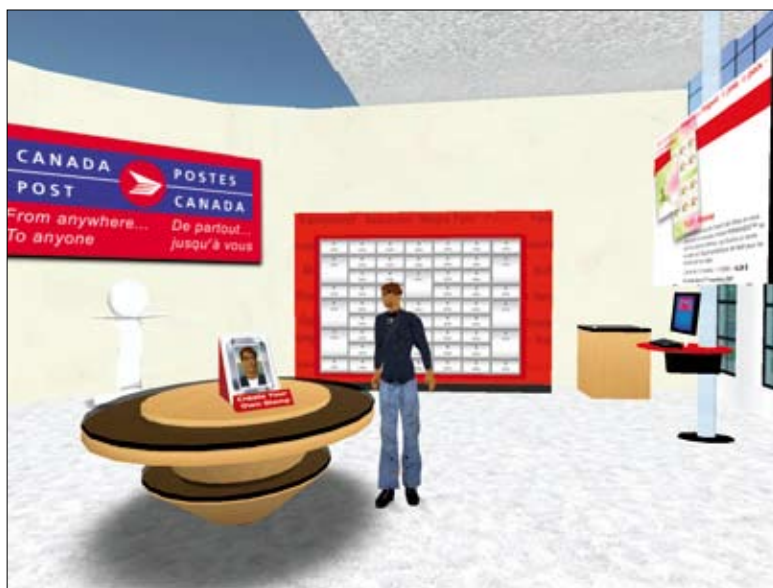
### 3. Tap into social networks

E-mail has always been social. In fact, according to a recent Ipsos Reid study, e-mail remains the most popular and preferred form of online communications. At the same time, however, there is a new

## Canada Post leverages Second Life to deliver marketing messages

Canada Post has opened a virtual marketing agency in the online community of Second Life.

The agency, "Bright Idea Lab," is a business incubator designed to educate Second Life business owners about direct marketing and offer them free tools to make their businesses more successful. The Bright Idea Lab is an agency setting within Canada Post's virtual city of Maple Grove. There, visitors can find free marketing tools and participate in roundtable discussions. "For many of these Second Life residents, this is their first experience with entrepreneurship," said Laurene Cihosky, senior vice-president for Canada Post's direct marketing division in a statement. "Canada Post will provide the tools they need to market and grow these virtual businesses, as well as information about how to conduct direct mail campaigns in real life." Visitors to the Bright Idea Lab can receive "Marketing in a Box," which contains everything they need to start their own business in Second Life. The free tool set includes:



Direct marketing templates to advertise events with Second Life-friendly designs; A virtual store (prefabricated building) with merchandise displays and shop lighting; Visitor counters and database collection tools; Online status indicators and useful Second Life business programs; and Tips and

strategies for Second Life businesses.

The Lab is also a unique venue for real-life business owners to learn about Canada Post tools such as Direct Marketing Online ([www.DirectMarketingOnline.ca](http://www.DirectMarketingOnline.ca)). DM Online helps business owners plan, order and track direct mail campaigns online.

## NCR and Experticity announce global reseller agreement

DAYTON, OH – NCR Corporation (NYSE: NCR) has announced that it has signed a global reseller agreement with Experticity, the pioneer of live, on-screen expert sales and customer support technologies. This agreement allows NCR to resell the Experticity multi-channel technology platform through its worldwide sales channel.

Experticity gives retailers a new vehicle for ensuring customers receive face-to-face service when and where they need it. It engages shoppers at the point of service with high-quality, live video customer support. Remote expert service agents – supplied by the retailer, consumer goods manufacturer or a third party – can be accessed by the consumer according to language and skill.

NCR's professional services team will stage, deploy and support the Experticity software platform. As an authorized reseller of Experticity's technology, NCR can now supplement its existing suite of technology offerings

with the industry's first market-proven, in-store video customer support solution.

Experticity ([www.experticity.com](http://www.experticity.com)) is the pioneer of live on-screen expert sales and service technologies and has been developing remote service solutions for the retail industry since 2005. Experticity's patent-pending, proprietary technology enables retailers to load-balance live customer service staff from a remote location to service front-lines and to consumers online, using real-time, two-way video, audio, and data screens to provide customers with a personalized, one-on-one service experience. Dozens of retailers are currently testing the platform in their store environments and STAPLES Business Depot, the largest office supply chain in Canada, has rolled the system out across 35 stores in 2008. Experticity is privately held and headquartered in Seattle.

## Firms merge to form bilingual ad network

Two Internet advertising networks will be joining forces to form a bilingual ad network. Branchez-Vous Inc. has reached an agreement to acquire NetWorldMedia Inc. in a stock transaction valued at more than \$4.6 million. Branchez-Vous will acquire all of the issued and outstanding shares of 4306112 Canada Inc., which owns NetWorldMedia and minority stakes in several Quebec-based Web sites.

Expected to close by the end of this year, the arrangement will create a bilingual online ad network representing nearly 500 Web sites, including 300 exclusively, which reach 12 million unique online visitors each month.

"This acquisition will establish Branchez-Vous as the dominant advertising network in French Canada and places us in a strong position to profit from the explosive growth of the Internet advertising market across Canada," said Patrick Pierra, CEO of Branchez-Vous, in a statement.

The firm sells Internet advertising space for more than 200 French-language Web sites, including 50 Web sites on an exclusive basis. Its network reaches more than three million French Canadians each month. The Montreal-based Internet media company reported sales in excess of \$4.3 million for the fiscal year that ended Dec. 31, 2007.

In its own right, NetWorldMedia represents approximately 250 Web sites exclusively, which reach more than nine million unique visitors per month—including 5.5 million in Quebec. It reported sales of \$4.5 million for its fiscal year that ended April 30.

## Mobile marketing automation enables shared platforms

NEW YORK— MuseWorx, a global leader and innovator in on-demand marketing automation and brand asset management, has announced MuseWorx Mobile, the first mobile marketing operating system, enabling all stakeholders in the marketing supply chain to perform mission-critical functions from their mobile phones and other devices including sharing, collaborating, tracking, or utilizing brand assets required for marketing campaigns.

The newly launched MuseWorx Marketing Operating System™, which has more than 250,000 users, leverages the flexibility and limitless capacity of cloud computing to provide a single ecosystem for the entire marketing supply chain of corporate marketers, agencies, and service providers. MuseWorx simplifies the go-to-market process by providing a highly affordable solution that integrates best-of-

breed automation tools, resource partners and a collaboration and digital asset management system capable of handling unlimited data, rich media files and users. With the addition of MuseWorx Mobile, any stakeholder in the marketing supply chain can easily perform mission-critical tasks from their mobile device using an intuitive, user-friendly point-and-click desktop.

"I'm working with hundreds of brand assets and about as many other individuals involved in numerous campaigns for multiple clients and MuseWorx has given us all a common, shared ecosystem in which to share and collaborate," said Allen Breiter, President of Clique Digital. "It's paramount that I constantly contribute and manage the process and assets as our campaigns move forward. With MuseWorx Mobile, I can now continue to drive our activities

from wherever I happen to be as if I were sitting at my computer."

"The increasingly global nature of marketing campaigns coupled with the compressed time frames that new media command has everyone in the marketing supply chain – including designers, artists, copywriters, editors, printers, freelancers and brand managers – literally on the move. With MuseWorx Mobile, being away from a computer no longer means costly delays in the go-to-market process," said Robert Wilson, CEO and Founder of MuseWorx. "Key participants in getting campaigns from ideation to execution can now access and manage their brand assets in the same single, shared and secure environment that MuseWorx offers through computers online but from their mobile devices as well."

The MuseWorx Marketing OS includes

a rich, collaborative environment for defining, managing and tracking projects and recording the activities of all contributors, no matter where they're located. It provides the ability to share and collaborate on rich media assets regardless of their size or original format. Users have a single view of all brand assets and activities on the system to measure progress against go-to-market strategies.

MuseWorx also partners with key service and content providers and has established relationships with MediaPost, Images.com, and the Direct Marketing Association Affiliate Network, whose members and subscribers can use a branded MuseWorx desktop to merge partner-specific tasks and resources with MuseWorx's functionality for sharing, managing, tracking and analyzing marketing campaigns and brands assets.

## Tucows domain name resource aims at marketers

TORONTO - Tucows Inc., (AMEX:TCX, TSX:TC) a global provider of domain names, e-mail and other Internet services, has announced the launch of YummyNames, a new service providing exclusive access to a large selection of premium domain names from the Tucows Domain Name Portfolio. Created especially with marketers in mind, YummyNames allows people to search for and obtain a domain name for their organization from tens of thousands of domain names.

A few of the YummyNames domain names available include countryrock.com, divorced.com, lemons.com, listener.com, mygarden.com, thepub.com, tool.com and veggies.com.

Marketers visiting <http://www.yummynames.com> can search through a large portfolio of premium domain names. These can be purchased outright or leased for a finite period of time, the latter being suitable for short-term or seasonal marketing campaigns. Developed and managed by a team of

marketing and domain name veterans at Tucows, YummyNames is also a useful resource for SMB owners who recognize that obtaining a high-quality domain name is critical to the success of their business.

"It's important for marketers and organizations to realize they don't need to settle on a lousy domain name," said Bill Sweetman, general manager, YummyNames. "Domain names are a vital component to successfully marketing a brand – whether it's the

launch of a new company, Web site or marketing campaign. A high-quality domain name is short, relevant and most important, easy to remember. We're excited to open the Tucows portfolio of premium domains to the public through YummyNames. We're confident users will find their perfect name."

More information can be found at <http://tucowsinc.com>.

## Neolane honoured for cross-channel marketing, lead management optimization solutions

NEWTON, MA— Enterprise marketing software provider Neolane, Inc. was recognized for the outstanding performance and market success that its Cross-Channel Marketing Optimization and Lead Management Optimization solutions have achieved as new additions to the IBM Information Management software portfolio. The award was presented to Neolane executives at the IBM Information On Demand 2008 Conference, held this fall in Las Vegas.

Neolane's Cross-Channel Marketing Optimization and Lead Management Optimization solutions are built on a single, Web-services based platform that centrally manages direct marketing campaigns, leads, resources, customer data and analytics to improve effectiveness and return on investment (ROI). The company has hundreds of customers around the world.

"Neolane is honored to receive the Rookie of the Year Award from IBM, and I am especially proud of our global sales and software development teams who were instrumental in our success here. We look forward to continuing to deliver the benefits of our innovative cross-channel marketing and lead management solutions to joint IBM customers," said



Neolane president Stephan Dietrich was honoured to receive IBM's "Rookie of the Year" award for his company's cross-channel marketing and lead management solutions.

Stephan Dietrich, president, Neolane, Inc.

Neolane provides enterprise marketing software specifically designed to manage, automate and optimize coordinated, personalized messages across both traditional and emerging channels, including mobile. Neolane's cross-channel marketing and lead management solutions are built on a single, open platform that centrally manages direct marketing campaigns, leads, resources, customer data and analytics to improve effectiveness and ROI. For more information, visit [www.neolane.com](http://www.neolane.com).

## Yahoo! Canada, P&G Pet Care combine to target Canadian pet lovers

TORONTO— A unique online project between by Yahoo! Canada and Procter and Gamble Pet Care is providing pet owners and would be pet owners with a plethora of advice on everything from pet care and feeding to training and exercise.

The newly launched pet channel— permanently located within the Yahoo! Canada Lifestyle section — was specifically designed for the Iams and Eukanuba pet food brands. It offers an informative online community where pet lovers can gain insight and learn all they need to know about caring for their pets.

Content for the channel will come from a variety of sources, including animal behavior and training experts, health and nutrition advisors, well-known pet bloggers— including "The Dog Whisperer" and "Think Like a Cat" — and long-standing publications, like *Dogs in Canada*. Animal breed guides, photo galleries, and video content will also be mainstays of the channel.

The channel is an online destination for pet owners of all varieties – animal lovers can find anything from tips or information to photos and videos of cute and interesting pets. As an added bonus, Iams and Eukanuba pet food brands offer coupons through the site.

"The mission of Procter & Gamble Pet Care is to enhance the well-being of dogs

and cats," said Alan Rego, External Relations manager, P&G Pet Care in a statement. "We know that the Internet is the first place many of our customers turn to for information about animal care. Our recent partnership

with Yahoo! Canada will provide Canadian pet owners with an informative and engaging online forum containing all the tools and resources they need to help care for their pets."

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## New ad network bundles existing sites

Toronto—Microsoft Advertising has announced the launch of Drive Performance Media ("DRIVEpm")—a premium advertising network available to Canadian marketers that includes the top 40 Canadian Web sites (comScore Media Metrix, Total Audience Canada/US).

In Canada, DRIVEpm reaches 60% of online consumers — totalling 14.2 million unique visitors across a network of premium Canadian and global Web sites (comScore Media Metrix, Advertising Networks, Total Audience, May 2008).

To help advertisers engage their ideal audiences, DRIVEpm provides robust targeting, tracking, measurement and reporting technologies that help deliver and optimize targeted campaigns.

A full customer service team is also available to help advertisers connect with audiences, understand their behaviour, and translate that information into decisions and strategies that can help improve campaign ROI.

## New PayPal service adds options

TORONTO—PayPal Canada has launched PayPal Web site Payments Pro, a product suite that allows e-commerce merchants to offer shoppers wider payment options —using their PayPal accounts, credit cards, or by phone, fax or mail —all through PayPal, a single provider. Web site Payments Pro features three new functions: Express Checkout, Direct Payment API and Virtual Terminal.

▶ **Express Checkout** - Express Checkout helps buyers with PayPal accounts pay for items in just three clicks on a merchant's Web site. The buyer initiates and approves PayPal payment earlier in the checkout process, and shipping and billing information is sent immediately from PayPal to the merchant Web site.

▶ **Direct Payment** - For buyers who don't have PayPal accounts, Direct Payment lets merchants accept credit card transactions just as they would with traditional Internet merchant accounts.

The buyers simply enter their credit card details directly on the merchant Web site. Payments are processed through the PayPal system on the back end, and PayPal remains invisible to the buyers.

▶ **Virtual Terminal** - Web site Payments Pro also includes Virtual Terminal, a new feature that supports phone, fax and mail orders by providing merchants with an online interface to manually enter credit card transactions through the PayPal system.

▶ **Web site Payments Pro** delivers results for small- and medium-sized businesses. According to a survey conducted by Northstar Research in 2008, merchants receive an average sales increase of 14 per cent when PayPal is added to a SMB merchant Web site.

Five reasons to use Web site Payments Pro

1. Give buyers choice – Customers can pay with their PayPal balance, credit cards, or debit.
2. Expand business market – Businesses have access to millions of PayPal account holders around the world.
3. Save time – Simplify your payment processing: accept credit cards, bank payments, and PayPal payments - all with one single solution.
4. Reduce fraud loss – PayPal provides industry-leading security and fraud protection tools.
5. Maximize your billing options – Accept recurring payments, plus accept phone, fax, and mail orders.

Web site Payments Pro has no set up fee, no cancellation fee, and until the end of the year no monthly fee, after which it is \$35 a month.

## Marketing Store gets analytical with new campaign tools

TORONTO—SAS, a leader in business intelligence and analytics, has announced that the Canadian arm of The Marketing Store, a leading, integrated branding and relationship management agency, has acquired SAS Analytics to fuel its customer communications offerings with deep analytical insight and demand forecasting capabilities.

The agency will use SAS to perform value-added segmentation, modelling and analysis to drive increased results from the demand generation and communication campaigns it designs and executes for its clients.

"The Marketing Store provides integrated marketing solutions to some of the biggest, most successful brands in the market today," said Jane Ragotte, senior vice president, Digital, Direct & Data, The Marketing Store (Canada). "By incorporating a best-in-class analytical foundation to our marketing solutions, we can now apply deeper, data-driven insight to produce even better results for our client base."

"Applying the strength of SAS Analytics to segment and model the customers' data, at the front end of the campaign planning process, will help improve overall response rates by delivering more targeted and relevant offerings to our clients' customers and prospects," said Ajay Handa, Director of Business Intelligence and Analytics, The Marketing Store (Canada).

According to Handa, SAS will also be used to analyze the performance of campaigns to help enhance planning and results for future campaigns. In addition, he said SAS will be used to forecast demand from client campaigns, which will help The Marketing

Store better forecast the needed capacity of its call centre resources in the fulfilment phase of the client campaigns they execute.

The Marketing Store (TMS) specializes in building and growing high-value customer relationships through ROI-driven relationship marketing, promotion and activation programs for high profile B2C and B2B clients. TMS offers integrated, end-to-end marketing expertise including CRM program development and execution, direct marketing, strategic consulting, market and customer-focused research, data management and analytics, creative, promotion and interactive services — all focused on the delivery of strong, sustainable relationships with customers.

In Canada, The Marketing Store's client list includes McDonald's, Nissan, Diageo, Ontario Lottery and Gaming Corporation, Ontario Medical Association, CCH Canadian and Unilever. TMS is part of a global network headquartered in Chicago with offices in Buenos Aires, Hong Kong, London, Birmingham, Madrid, Paris, Sao Paulo, Shanghai, Shenzhen, Sydney, Toronto and Vietnam.

### About SAS

SAS is the leader in business analytics software and services and the largest independent vendor in the business intelligence market. With innovative business applications supported by an enterprise intelligence platform, SAS helps customers at 45,000 sites improve performance and deliver value by making better decisions faster. Since 1976, SAS has been giving customers around the world The Power to Know®. Visit [www.sas.com](http://www.sas.com)

## Study finds 75 percent of new vehicle buyers research via Internet before deciding

WESTLAKE VILLAGE, CA—New-vehicle buyers are using the Internet more than ever when researching vehicle information, according to a just-released J.D. Power and Associates 2008 New Autosshopper.com StudySM.

The study finds that 75 percent of new-vehicle buyers in 2008 are using the Internet during their shopping process, compared with 70 percent in 2007. This year marks the largest year-over-year increase in online shopping since 2001. The total amount of time shoppers spend online researching automotive information has also increased since 2007—up 12 percent to more than six and a half hours. Meanwhile, the number of Web sites being visited by new-vehicle shoppers has remained relatively flat since 2007, which suggests that consumers have become more engaged with the sites they currently visit.

Automotive manufacturers can further engage shoppers through consumer-generated content on the Web. According to the study, nearly 70 percent of automotive Internet users (AIUs) utilize consumer-generated content while shopping for a new vehicle. In particular, vehicle ratings and reviews are the most popular form of consumer-generated content, with 63 percent of AIUs utilizing this resource. Additionally, 95 percent of AIUs who use consumer ratings and reviews say that the information is "helpful." Dealer ratings and reviews are also popular among

new-vehicle shoppers, with 38 percent of AIUs utilizing the resource, and 87 percent of those find the information "helpful."

The study also finds that different types of automotive Web sites have specific benefits that satisfy the information and shopping needs of consumers. For example, shoppers view independent, third-party sites—such as Edmunds.com and Kelley Blue Book (kbb.com)—as being most useful for researching vehicle pricing and for providing ratings, reviews and forums. Conversely, shoppers view manufacturer Web sites as most useful for their information on vehicle model options, features and specifications, while dealer sites are perceived as being most useful for inventory information.

The report notes that Kelley Blue Book (kbb.com) is the most visited independent Web site, with 44 percent of automotive Internet users visiting the site. Additionally, Edmunds.com is the most useful independent Web site among automotive Internet users. Edmunds.com shoppers are 42 percent more likely than consumers using other independent, third-party sites to say that the reviews, forums and ratings are the most useful information on the site.

The 2008 New Autosshopper.com Study is based on the self-reported shopping habits of 27,901 new-vehicle buyers. The study was fielded from May to July 2008.

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