



Delivering Results, putting Theory into Practice – Corporate Geodemographics in Action



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Information Arts (UK) Ltd

- B2B database marketing is our core business !
- Formed in 1999
- Quickly established as the UK's leading B2B database marketing company
- Directors and senior management known industry experts
- Blend consultative solutions led approach with high added value delivery – 'actionable consultancy'
- Help companies to make more effective use of data to achieve desired commercial outcomes
- Chosen expert partner of leading blue chip clients and suppliers
- Respected as industry leader in added value services and for innovation



What we do

Provide cost effective, independent and expert data driven solutions that help our clients to devise, implement and measure effective programmes to:

- Improve lead generation and acquisition
- Reduce churn, improve retention and customer development
- Support operations

...through the development of database solutions that leverage all resources

- UK and Pan European
- Advocating best practise approach for CRM and PRM



Federal Express Europe Inc

- Worlds largest express transportation company
 - 2nd largest airline – 662 aircraft serving 365 airports
 - Average package volume – 3.3 million packs daily
 - Employs more than 148,000 worldwide
- UK Direct served area
 - **Covers approx 80% of GDP**
 - Flight points into London / Dublin / Manchester / Glasgow

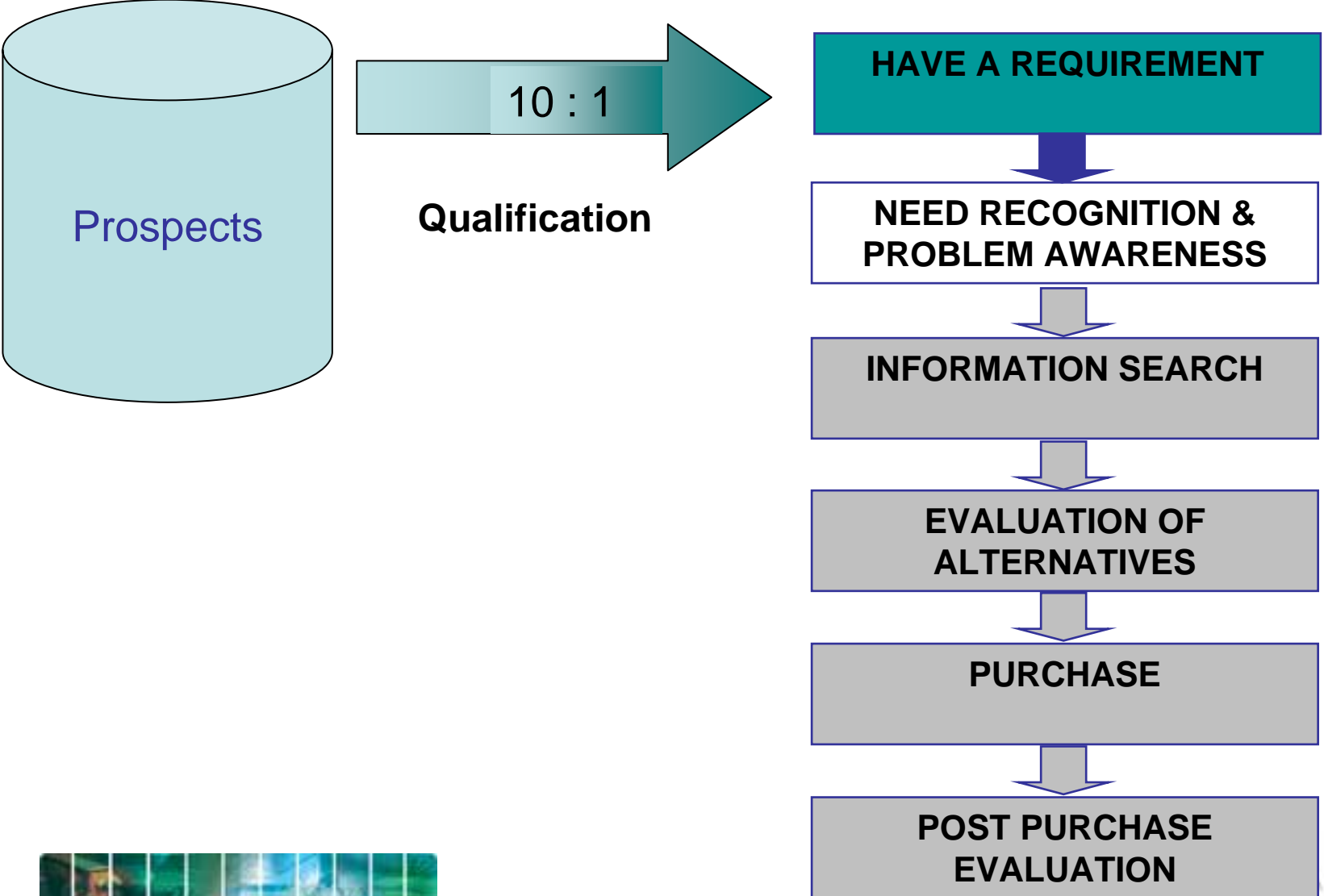


Campaign Structure

- Customers:
 - 5 Pan European campaigns - 13 countries
 - Numerous 'local' tactical lead generation campaigns
 - DM and inbound – some prioritised outbound TM follow up
- Prospects
 - Campaign specific and ongoing to support Sales
 - Targeting historically based on 'instinct' by SIC
 - Data screened and qualified by external telemarketing
 - Churn and burn
- ROI measured for all activity
 - Expensive and time consuming



FedEx Typical Prospect ID Rate



Objectives for Information Arts

- Strategic
 - “would FedEx be operating the same Direct Served model as it is in the UK given a clean sheet of paper ?”
 - Support strategic allocation of marketing and operational investment to reflect UK’s true outbound opportunity
- Tactical
 - Improve prospect ID
 - Provide high quality profiled leads for sales channels
 - Reduce costs



IA's Solution

- By analysis of existing customers –
- Development of a Market Demand Model (MDM)
 - The companies that are likely to be shippers
 - Calculation of demand for products and services – referenced at a small geographical area
- If we know '*where*' what business is – we can address both sets of objectives
 - using tactically in campaigns to validate - before using strategically



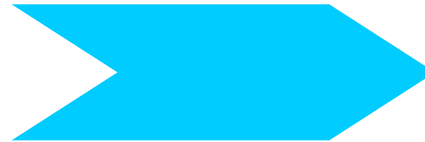
Getting the basics into shape

- First required
 - Clean data
 - A single customer view
 - The means to deploy and measure campaigns
- Masses of data – 3.3 million packs moved per day worldwide – represents a lot of customer transactions
- US based bespoke customer record structure
 - 3 address lines + numeric postcode
 - required extensive downstream fixes
- Held at account (not customer) level



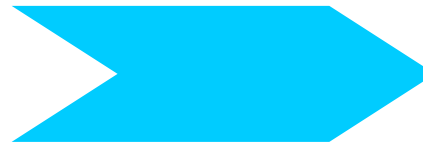
Examples

Terry Farrell Partnership
Terry Farrell Partnership
*****PLS SEE COMMENTS*****
7 Hatton St
London
NW8



Mr Terry Farrell
Terry Farrell Partnership
7 Hatton Street
London
NW8 8PL

Kelly. Ian
LIS Warehouse Systems Ltd
Beacon Hse, Beacon Bus Pk,
Ibstone Rd,
Stokenchurch Bucks
HP14

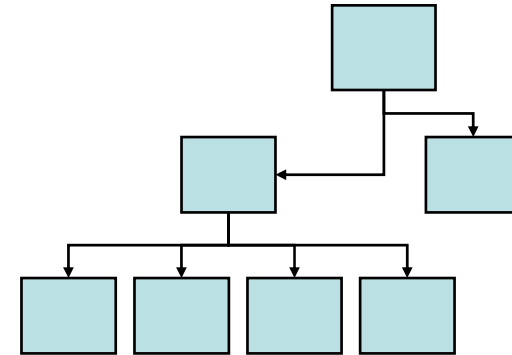


Mr Ian Kelly
LIS Warehouse Systems Ltd
Beacon House
Beacon Business Park
Ibstone Road
Stokenchurch
Buckinghamshire
HP14 4LN



Single Customer View

- Organise the data in context
- Created single customer view
 - Master & slave structure
- Add attributes to proxy why a company might need an international courier eg.
 - Company size
 - SIC
 - Turnover
 - Company age
 - GIC
 - DNA
 - etc
- Build an environment to hold the data



Modelling Stage

- Developed model of UK outbound demand at a small geographic level – based on enhanced *customer* data and transactions history
 - for direct served area only
- Analysed customer value, volumes and product mix by destination
- Extrapolate to non direct served issues using the new business geo-demographic tool – GIC
- Validated value and volumes against published research



A Quick Overview of GIC



Geodemographics background

- Started with Charles Booths poverty map
- Established a principle – that households in a small geographic area will share similar characteristics - and therefore – behaviour (proxy needs) – “Birds of a Feather”.
- Theory developed for Marketing based on Census data
- Development of the Consumer Geo-demographic classifications from mid 70’s
- Rapidly established as industry standard
- Lots of choice !
 - ACORN
 - MOSAIC
 - PRIZM
 - CAMEO
 - And more being created as a result of the 2001 census



Business Geodemographics - rationale

- Business location is not necessarily 'birds of a feather'
- But not necessarily always random. Consider:
 - Heavy industry (mining)
 - Financial centres
 - Advertising industry
- Factors effecting business location – access to:
 - Markets
 - Suppliers
 - Other elements of supply chain
 - Expertise
- As a result – *patterns* of business development can be identified
- Confirmed by same statistical methods



What is GIC?

- GIC is a classification of the business environment referenced at a postcode sector level
- It describes patterns of business characteristics in all areas of the UK – classifying all businesses
- It provides new basis for considering customer behaviour –
i.e. That geography / location / supply chains may influence consumption and that business similar under usual classifications – may have differing consumption requirements
- It does *not* seek to mirror consumer geodemographics' theory i.e. that households in same area will be broadly the same



GIC Structure



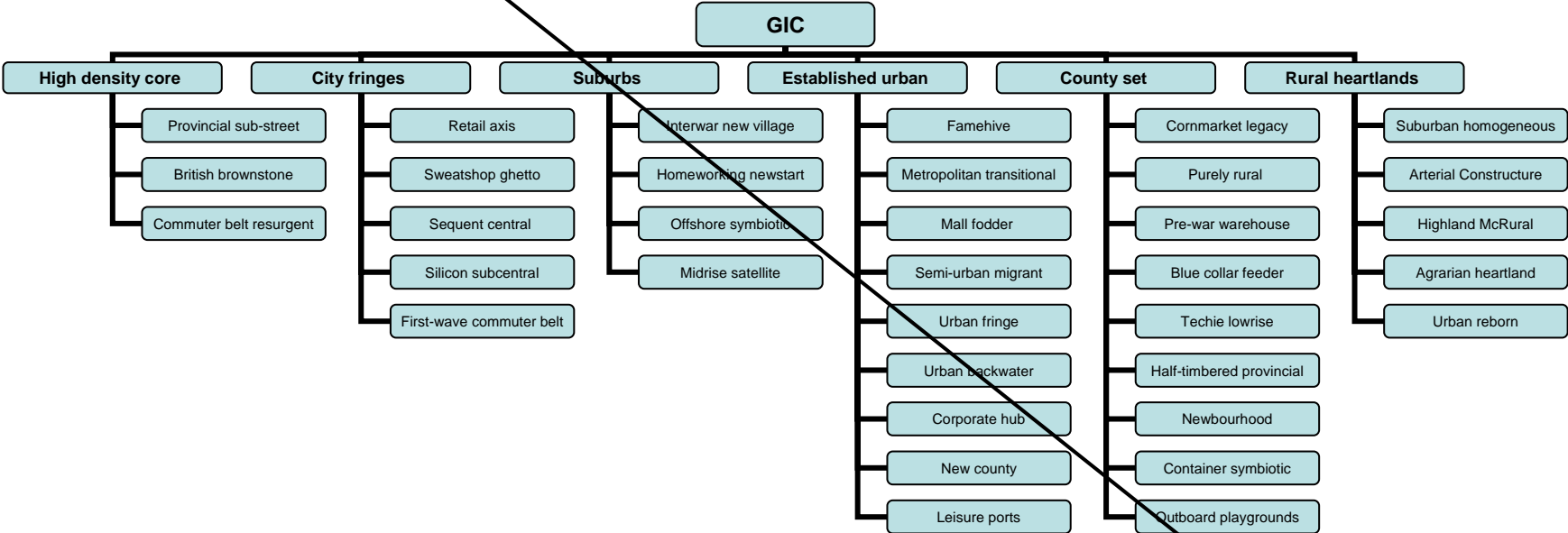
GIC – 6 groups

Group 1	High density core	Highest Density
Group 2	City fringes	↓
Group 3	Suburbs	↓
Group 4	Established urban	↓
Group 5	County set	↓
Group 6	Rural heartlands	Lowest Density



GIC - Architecture

Highest density of businesses



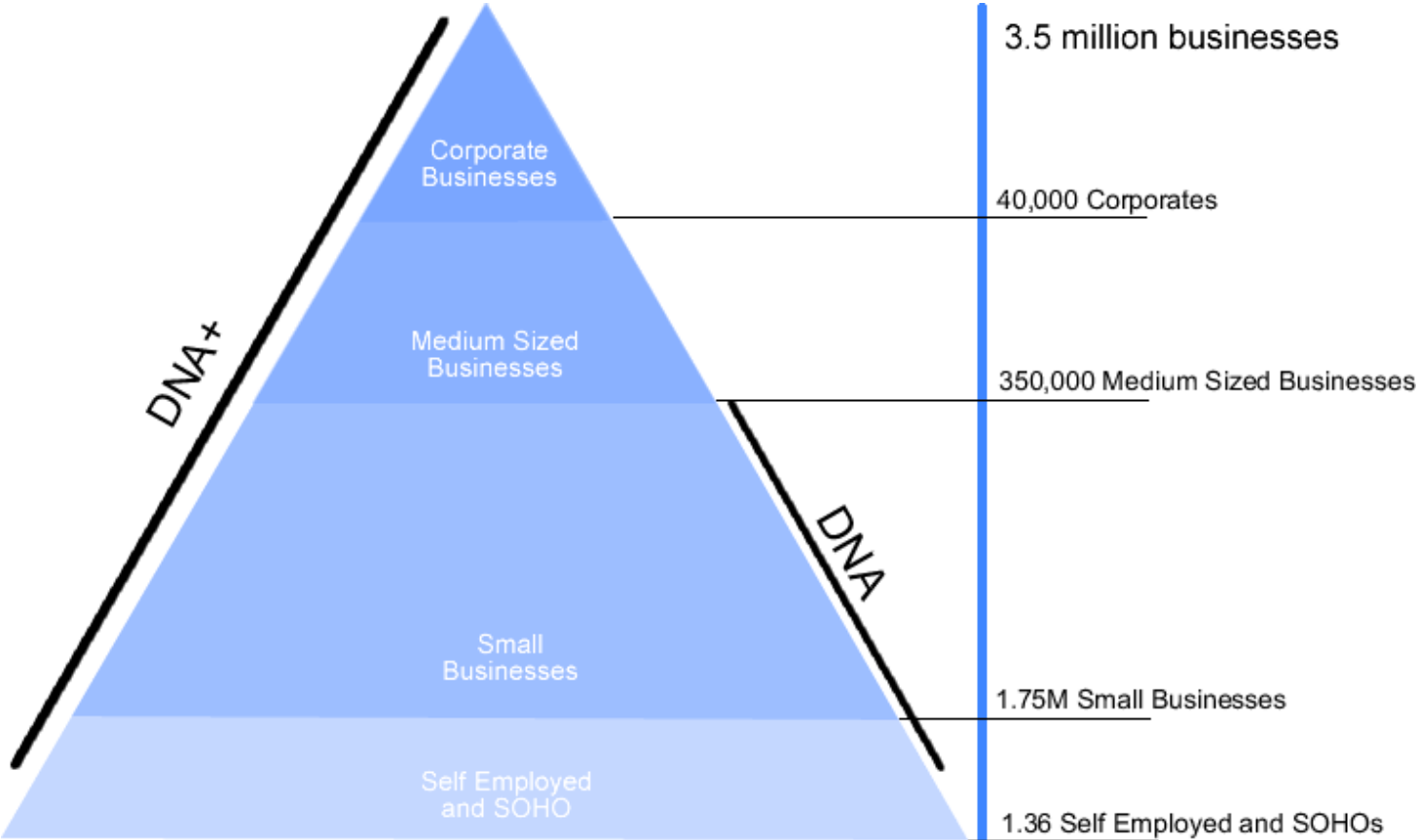
Lowest density of businesses



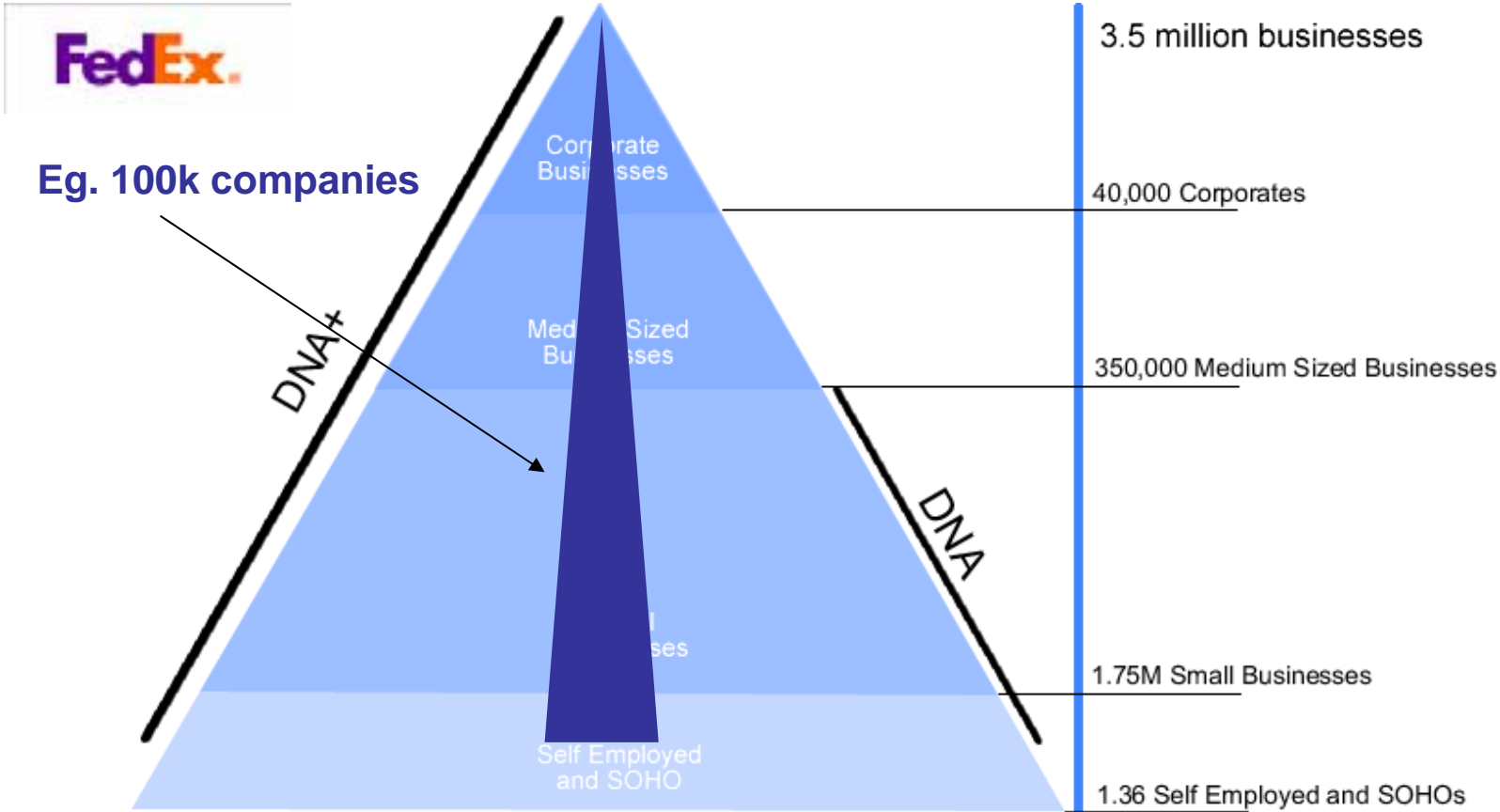
Defining the right Prospects



UK Business Universe

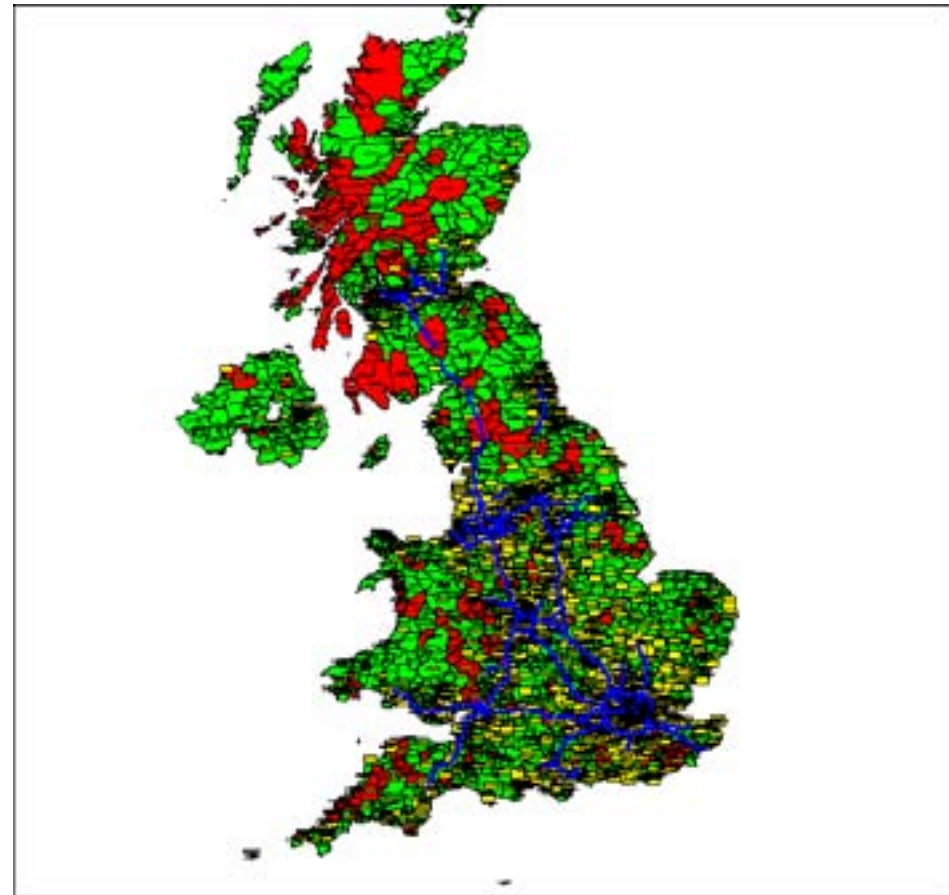


FedEx Finite Prospect Pool



Outputs

- Tactical
 - Defined pool of prospects - by key product and destination
 - UK Map of potential at postcode sector level
- Strategic
 - Needed to establish effectiveness before applying to strategic tasks



Tactical Implementation

- Met Sales and presented the methodology – set expectations
- Reviewed findings in series of small workshops with Marketing and Sales
- Ran interactive queries to the model
- Drip fed prospects for sales qualification and follow up
- Validate against new account profiles
- Tested various qualification script alternatives and contact levels
- Rolled out in large campaigns in 03



The 'Right Time' Issue

- Also successfully established the prospect nurturing principle – triggered by CRM system
 - Companies not in market 'now' - are 'managed' through appropriate communications
 - To the point where contract renewal is due
- No need to constantly search for more new prospects – the prospect pool contains them all
 - In constant state of development through communications and positive interactions with brand



Results to Date

- Transformed all areas of database marketing since 02
- Since 03, prospect ID results now average 6.7 in 10
- Removed entire layer of external tele qualification and associated costs
- Reduced costs of data and associated processing
- Prospect nurturing now an established principle
- Model used to address the objectives of directing strategic marketing investment
 - Underperforming areas
 - New areas of opportunity
 - Network and route expansion



In Summary

- Be customer centric – get a single customer view
- Use targeting systems to establish your finite prospect ‘universe’
- Licence the data to hold, and ‘sweat’
- Use data driven insight to develop contact strategy and differential communication around contract renewal date
- Develop your data strategy
 - Ensure your DM always seeks to pick up key information
 - In particular, contract renewal date
- Nurture non responders
- Never start anything twice





Thank you for your attention
Any questions?

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