

Life's A Stage

By Lisa D'Innocenzo • April 2005

***You have all that information about your customer. You using it?
These brands are—and they're finding it worth every minute***

If you live in the Toronto area, you may have heard from Boris by now. He'll call up and, in his thick Eastern European accent, amenably advise you that if you're in the market for movers, he's the man for the job. Cool if you need him, but irritating if you keep receiving the pitch and have no intention of going anywhere anytime soon.

Thanks to increasingly sophisticated database systems, marketers can have a better shot at targeting folks at precisely the right moment—which makes all the difference.

"Life stage" or "life event" marketing can definitely lead to an increase in sales, says Geoff Linton, VP of Guelph, Ont.-based e-mail publishing firm Inbox Marketer and professor of direct marketing at Kitchener, Ont.'s Conestoga College. But, he adds, despite significant sleuthing advances in the database marketing field, not many firms are good at it. "A lot of marketers just don't tackle it. I'm amazed at communications that don't have life stage-appropriate creative for the target market, because the companies have the data."

It is too bad, really, because those that do act on their entrenched knowledge are able to converse with consumers on a whole new level. Says Linton: "Consumers give companies information, and now they expect those companies to act on it." The most notable benefit is enhanced customer retention capabilities, he adds. "Just increasing it by 0.5% has a huge impact on the bottom line."

Thankfully, not everyone is missing out; Linton points to a couple of firms that are getting it right. One is the Loyalty Group, which he has worked with in the past. The Toronto-based company, which

manages the Air Miles brand, has had a new mover package, geared at Canadians who have recently landed in a specific neighbourhood (and therefore need to buy stuff), for quite some time now. But in the last couple of years, says Linton, the program has been improved to include "customized offers [influenced] by a mover's past behaviour," as well as a personalized sponsor locator map.

"If you move to Etobicoke, they will send you a map with your new location and dots with sponsors' logos on them," he says. "So it's highly relevant for avid Air Miles collectors and it drives an immediate call-to-action." Not to mention, it opens a "strategic window, where [a sponsor] can gain a lot of lifetime value, because they're establishing a relationship immediately."

Then there's Shoppers Drug Mart. Linton calls the retailer, which relies on its Optimum loyalty program for gathering information, an excellent life stage marketer, specifically when it comes to new moms. The drugstore chain has gone so far as to create a separate "Shoppers Optimum Program for Moms." Consumers can currently sign up on the Web site and are rewarded with double points for their trouble. Meanwhile, Glow magazine, the retailer's custom pub, has a separate "momlife" section.

And, two years ago Shoppers' implemented a mom-oriented vendor participation program, enabling brands to target women with discounts and other communications. Off the bat, the average lift of the direct mail versus those who did not receive the communications was 8%.

Scotiabank is probing the depths of its database to build deeper relationships with its customers as well. Jonathan Huth, VP relationship database marketing at the

Toronto-based bank, says that the key has become to look for clues in banking behaviour. For example: "We look for unusually large deposits, as that is often an indication of a life event for a customer—things like insurance claims or wedding gifts."

But the financial institution doesn't assume anything, knowing that it can be a turn-off for a customer if they're way off base. So its service reps will call to inquire about what's happening and then tailor their pitch accordingly.

Another reflection of Scotiabank's commitment to life stage marketing is its direct mail creative. Instead of generic imagery, the bank takes a customized approach. In other words, if recipients are in their twenties, they aren't going to see a photograph of gray-haired grandpas. And the language is slightly different too.

Huth won't give specific results, but says that the "life event" approach is worthwhile. "The deposit program runs daily, and the [direct mail effort] every month. We wouldn't continue them if the results weren't there."

Daimler-Chrysler also believes in hitting up consumers at the right time—for instance with communications about a minivan if they seem well on their way to two kids, a dog and a white picket fence. The strategy is essential to retention, as well as growing their customer base, according to senior manager of national advertising and direct marketing Pearl Davies. To that end, the firm has recently focused on geodemographic targeting.

Davies points to a recent direct mail effort highlighting the Stow 'N' Go feature of the Dodge Grand Caravan, which enables seats to be easily folded into the floor of the vehicle.

Over a million pieces were dropped in areas with a high average of "minivan families," and instead of just the typical product shot, the creative, by BBDO Windsor (formerly PentaMark), also showed family-specific lifestyle photography.

But like Scotiabank, the Windsor, Ont.-based automaker also relies on "marketing intelligence" to predict exactly when customers might want to hear from them. "We follow customers through their lifespan, and we know when they're going to dispose of their vehicles," she says.

Some of the triggers the Windsor, Ont.-based automaker looks for include past purchasing behaviour (for example, if

the customer opts for new wheels every four or five years), and outstanding loans. "If we were marketing a product one category above the entry-level, we'll market to those people most likely to step up. That would be determined through database research," explains Davies.

The Jeep brand, as an example, has several different models from the TJ, which is geared at university kids, up to the luxury Grand Cherokee, allowing the automaker to keep in touch with Jeep customers as they age.

To get younger consumers interested in the TJ entry model, the company has turned to sponsorship and guerrilla tactics: Jeep has sponsored Exclaim magazine's

cross-Canada music tour for the last couple of years, and the brand has toured university campuses conducting events such as karaoke contests.

"Getting somebody right in the beginning, you have a chance of keeping them for life," says Davies. "And then we have the lineup to take them through their life stage needs."



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