

PROMOTIONS.COM™

**Right
Promotion**

**Right
Audience**

**Right
Time**

10 Objectives of Effective Promotions

- 1. Build Loyalty**
- 2. Create Awareness**
- 3. Drive Traffic**
- 4. Interact with the Consumer**
- 5. Educate the Customer**
- 6. Energize the Trade**
- 7. Grow Market Share**
- 8. Generate Trial and Conversion**
- 9. Build a Database**
- 10. Enhance the Marketing Mix**

IDIALOG™ KIDSAFE Helps Wrigley Reach Teens

Confectionery giant William Wrigley Jr. Company wanted to generate excitement and extend brand involvement among teens via its Juicy Fruit "Scavenger Hunt" online treasure hunt. The program also reinforced its national offline "Gotta Have Sweet" ad campaign.

"Scavenger Hunt" ran through Dec. 12 and was a huge success. Promotions.com worked closely with ad agency BBDO to develop the program. The online sweepstakes and Instant Win promotion targeted users 12 to 17 years old. Participants were invited to win by following clues to find branded icons hidden through Juicy Fruit partner Web sites. Once they clicked on the icon, they could become instant winners or register to win prizes.

Promotions.com and BBDO fully integrated the brand's strategic premise into a promotion idea that actively involved the target audience with the brand's message. The participation rates obtained throughout the promotion indicate it succeeded in taking Juicy Fruit's message to a high level of relevance to teens.

Paramount to the program was Promotions.com's development of IDIALOG™ KIDSAFE, a tool that helps companies safely market to online teen audiences and also complies with FTC rulings that went into effect in April 2000. The technology is the industry's first effort to help advertisers comply with guidelines on how advertisers reach kids, set by the Children's Advertising Review Unit.

IDIALOG™ KIDSAFE provided Wrigley with a customized marketing solution that safely and effectively reached this important age group by requiring parental permission before a child could participate in the promotion. The back-

end infrastructure automatically sent notification to a parent or guardian's email address based on the child's age. Children between 13 and 16 were asked to provide a parent's email address so the brand could notify the parent that the teen was participating in the game. If the child was under 12, the parent's permission had to be granted via fax. Once permission was received, the children could enter the sweepstakes, or claim an instant win gift. Promotions.com stored the child's email so he or she couldn't log on again and provide a false age.

Prizes included a trip to New York City for a taping of MTV's Total Request Live, CDs, electronics and packets of Juicy Fruit gum (up to a one year supply).

"Scavenger Hunt clearly demonstrates that IDIALOG™ KIDSAFE is a proactive approach that companies can take that complies with online privacy and child safety issues," said Unity Stokes, Partner, Promotions.com.

An advertisement for the Juicy Fruit Scavenger Hunt. The background is dark blue with a yellow swoosh. At the top left, the text "Juicy Fruit Scavenger Hunt" is written in a playful, bubbly font. Below this, a list of items to find is shown: "Hug-a-Pug", "Cool Prizes", "Pack Facts", and "Legal Stuff", each preceded by a small circular icon. On the right side, there's a smaller text block that says "Gotta Have Sweet?" above an image of a man wearing sunglasses and holding a large, oversized pack of Juicy Fruit gum. At the bottom, there's a line of text that reads "Find your way to the sweetest prizes in the game!" and a small URL "http://www.juicyfruit.com/scavengerhunt".

Building Customer Loyalty with Online Promotions

By Amie Smith, Partner, Promotions.com Custom Solutions

Many Web marketers are still spending the bulk of their customer acquisition dollars on banner ads and strategically placed links that aim to drive traffic to their sites. But what happens once these consumers get to your site? How do you keep them there? What will you do to keep them interested, to encourage them to look around, to sign up for your newsletter, to buy something? How do you ensure a return on your Internet marketing investment?

The answer is one small word that adds up to a lot: Promotion. With banner click-through rates lower than ever, marketers are increasingly turning to online promotion solutions. They're looking for ways to expose their brands to consumers with programs that make an impact and break through the growing online clutter. Even online, (as with offline) it's the creative, highly-targeted promotions with compelling offers that generate the most consumer interest. But the promotion industry didn't evolve into an \$65 billion industry overnight.

Enhancing Your Marketing Mix

If Internet marketers take a few steps back and examine what promotion is, what it does, and how it differs from so-called mainstream advertising, they will have an easier time understanding the integral role that both permission-based marketing and one-to-one marketing play in Internet promotions today.

There are several ways to define "promotion," but probably the best definition is that it's the offer of an incentive as a reward for a certain type of behavior on the part of the consumer. In other words: getting the consumer to do what the marketer wants at the time the marketer wants it done. Unlike mainstream advertising, promotion is mea-

surable. And it's now a basic ingredient for most marketing campaigns for large-scale consumer goods and service companies in the USA, everything from airlines to toys.

Moreover, the essential difference between promotion and mainstream advertising is that promotion requires more than cognition — it demands a certain type of action that may or may not normally have taken place.

Promotion is centered around a number of specific functions and devices that deliver rewards. These can include generation of trial (product sampling), creation of awareness (demos and special events), protection of marketshare (coupons), pantry loading (temporary price reductions), rewarding for loyalty (points), driving traffic (in-store activities) increasing marketshare (premiums)

and building a database (games, contests, sweepstakes). Lucky for us, the Internet gives marketers the ability to tap into most of these tactics, all of which have proven to be extremely effective offline.

...on-line
promotions generate
3 to 5 times
the response rate
expected of offline
promotions.

— Forrester Research

Making Marketing More Effective

One reason for the promotion explosion of recent years is that advertising has steadily decreased in effectiveness over the past two decades. There's an endless profu-

sion of images out there, and those images cost marketers huge sums of money. For this reason it's difficult for any one brand to dominate a category unless it has very deep pockets. Brands such as Coke, at McDonalds and Budweiser have that kind of money, but many do not. Plus, all that clutter is competing for consumers' attention at the same time. Advertising by itself no longer influences purchasing behavior like it did back in TV's hey day when those networks reached 60 to 65% of your audience — primetime — five nights

Suddenly, because the Internet is virtual, you have just made online promotion the most trouble-free marketing discipline that could ever happen. It's perfect — you can tap into advertising to build your brand's image and you've got parallels with direct marketing. It was recently reported by Forrester Research that on-line promotions generate 3 to 5 times the response rate expected of offline promotions.

But no one discipline works effectively by itself. Smart ad agencies need to include a URL on all of their clients' ads. Smarter agencies need to partner with online promotion solutions companies who know how to get the consumers to their sites — and keep them there. The site must talk to the brand's audience.

Rewards Build Loyalty

So how do you create awareness for your site? Start by giving consumers a compelling reason to return to it over and over. Gain their trust. Ask them to enter their email address and assure them you won't sell their name to a third party. Get permission to market to them in the future. Ask a question or two to find out who they are and what they like. Then, invite them to play an interactive instant-win game for big-ticket prizes, coupons and cash.

While they're on the site, ask for a few of their friends' email addresses in return for extra chances to win. Keep reminding them to come back and visit for additional rewards. When they do come back, don't make them fill out another registration form. Instead, ask them a few new questions. Keep track of what they purchased and what they did. Build your customer profile. This is how you start to build individual relationships. Make customers feel good while you're creating an ongoing dialog with

them. The power of the Internet is you can create relationships with individuals.

Putting up a Web site isn't enough any more. You need to focus on helping companies embrace the accessibility, reach, power, and convenience of the

Internet by delivering customer value that, in return, provides true competitive advantage. According to Forrester Research, over the next five years, promotions will comprise 50–70% of marketing budgets. Why? It's easy for marketers to monitor promotion response rates in real time, which means they can closely monitor the success of the promotion on a day-to-

...over the next five years, promotions will comprise 50–70% of marketing budgets.

— Forrester Research

day basis.

Efficient marketing expenditures translate to higher sales. Online promotions allow marketers to get to know their customers more intimately and target them with relevant offers. This creates efficiencies that marketers could only dream about in years past. It's no secret that promotions yield high response rates. Think of the magic that offline promotion agencies and their online brethren will make if they pool their resources and expertise together for their clients.

The number of "traditional" (offline) marketers who are turning to their agencies for online promotion support is growing at a staggering rate. This is great news for online promotion companies who have done their homework and are ready for the onslaught of all this new business. There are some online companies out there today that specialize in just points programs, instant win games, or other specific promotional tactics. But these companies better recognize that their clients require more than just one type of promotion solution. Online promotion solutions companies must offer clients a full range of promotional tools that bring the best elements together for a multi-device program that

Protecting Privacy Builds Relationships

By Steven H. Krain, Co-Founding Partner, Promotions.com & Gary Clayton, CEO, Privacy Council, Inc.

It doesn't get much more personal: information about us, our families, our lives, our health, what we do and who we are. From the perspective of consumers and employees, it's a growing concern in a world where such information is increasingly collected, bartered, and made the currency of the new e-commerce economy. For businesses the information is crucial to increase efficiency and lessen risks. How much is enough and where do we draw the line?

Businesses face a real dilemma. Information is required to tailor goods and services to the needs and wants of customers or to effectively manage personnel. Customers are reluctant to give up personal information to businesses unless they feel their information will be protected. As a result, when customers and employees trust businesses to use their data fairly, everyone wins.

of business. In the first few months of 2000, there have been several high profile companies that have gotten into trouble because of their unwillingness to recognize the growing demand for strong privacy practices online.

As the election year progresses, you can expect to see numerous new privacy bills proposed in Congress and in state capitals. These new privacy bills will aim to impose comprehensive new rules and limitations on how you can use new personal information. Indeed, some of the new bills aim to make direct marketing difficult or impossible. There may not be a consensus on such an approach; however, there is an increased understanding that Americans are demanding and concerned about privacy protection.

In Europe, much of the Pacific Rim and in Latin America, numerous nations have passed privacy



New Regulatory Reality

Complicating the issue is a constantly evolving proliferation of laws and guidelines. Their aim: to regulate how businesses collect, utilize, store and process sensitive information about our everyday lives. This complex web of privacy rules and regulations is being implemented worldwide.

Businesses that fail to negotiate this maze will not be able to compete in the global market. They face data flow interruptions, costly litigation, criminal prosecution, injunctions, directors' and officers' liability, and damage to their business reputations. Most importantly, they face the loss of consumer and employee confidence resulting ultimately in loss

laws. Many of these nations have established national bureaucracies with the specific purpose of protecting privacy for consumers and employees.

The United States and Europe have been involved in extensive negotiations over the issue of protection of personal data. Under the European Union's (EU) Data Protection Directive, companies are prohibited from exporting data to countries that do not have adequate privacy protection. The U.S. is considered to have insufficient privacy protection laws and procedures. This means if the U.S. and the EU do not reach an agreement on these issues, there could be a "data war" resulting in the interruption of trade between the U.S. and Europe. Fortunately,

**Recent studies indicate
that customers are
more likely to engage
in e-commerce if they
trust businesses
to protect
personal information.**



that the both sides may soon reach an agreement on a "Safe Harbor" that would allow the free flow of information to continue" albeit on much more limited terms than before.

Opportunity to Build Relationships

Recent studies indicate that customers are more likely to engage in e-commerce if they trust businesses to protect personal information. Studies also show that consumers do not believe businesses are doing enough to establish privacy practices. Businesses have much more to gain from promoting good privacy practices.

Consumers are learning that choice and control are better for them. Wise businesses are learning

that an empowered consumer may actually be the best thing for their business over time. This means that you will have to do more than simply put a bare bones privacy notice on your Web site. It means more than simply getting permission or opting-in.

In the end, everyone will win. Consumers' privacy is protected; they get only what they want, when they want it. Businesses generate trusted relationships that will prove extremely valuable over time.

Respecting privacy is the right thing to do. And it may be the best thing to do to build loyal customers and ensure a profitable future.

Enhancing Your Marketing Mix through Online Promotions

World Wrestling Federation Entertainment

World Wrestling Federation Entertainment (WWFE) wanted to increase both its online ad revenue and the number of registered users on its Web site (<http://www.wwf.com>). WWFE retained Promotions.com as its exclusive provider of Internet promotion solutions for the 11 branded Web sites in its media network. The first monthly promotion featured a giveaway to *Wrestlemania 2000* on April 2, the biggest WWF event of the year.

Promotions.com created a customized promotion infrastructure to attract targeted consumers to the WWFE Web site, utilizing iDIALOG™. Promotions.com and WWFE are sharing information collected from each promotion entry generated from WWFE's three million monthly visitors. Consumers who enter the promotions can choose to receive a WWF newsletter and become members of Promotions.com.



Compaq

Compaq used Promotions.com to attract targeted customers to its "Online Services" Web site (www.compaq.com/smb/online-services) and add to its online customer database.

Compaq utilized iDIALOG™ to deliver targeted opt-in offers and coupons to potential 'Online Services' customers based on data collected upon entry to each promotion. The program also helped drive traffic to Compaq's 'Selection Wizard,' a virtual intelligence tool that helps businesses identify which services can best save them time and money.

Promotions.com also helped Compaq implement follow-up e-mail to support customer retention goals for 2000. The e-mails were sent to customers who chose to opt-in and receive additional information on new products and services.



Road Runner

Road Runner, a high-speed online service (<http://www.rr.com>), is using iDIALOG™ technology Promotions.com custom solutions to provide rich-multimedia promotions to Road Runner subscribers.

iDIALOG™ is helping Road Runner deliver personalized offers to its subscribers based on predetermined criteria established from each entry into a promotion. In addition, Promotions.com is assisting Road Runner target follow-up emails for opt-in subscribers to support retention goals this year.



Promotions.com

info@promotions.com
11400 114th Street
1000 Plaza
New York, NY 10011
212-242-8800

1000 Plaza Street
Suite 2000
San Francisco, CA 94111
415-611-9010

Call Darren Port TODAY at 212-242-8800 x126 or email at dport@promotions.com to schedule a presentation and find out how online promotions can work for your company.