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## Search Engine Marketing 5 ways to waste money with PPC

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## Animated character draws big response for TV station

By Chantal Todé

Independent station KCSM-TV's annual fundraising direct mail campaign has generated a 120 percent increase in the size of the average gift from lapsed members thanks to a geeky animated character modeled after the San Mateo, CA, station's own program director.

Initially, however, Goodman Marketing Partners, which created the campaign for KCSM-TV and whose clients include Autodesk and St. Supery Vineyards, wasn't even sure it wanted to bid for the business.

"When [KCSM-TV] went looking for a new partner, they did it in a typical nonprofit way, which was to have procurement run the request for proposals process," said Carolyn Goodman, managing partner of Goodman Marketing, San Rafael, CA. This meant the focus was on price with no mention of strategy.

Goodman put its hat in the ring anyway and won the bid because it was the low-price leader. But it would have to create a yearlong campaign upfront in order to save costs by going on press only once.

At the initial meeting with KCSM-TV — Goodman never met with station representatives during the RFP process — there was a lot of talk about how tough it is for the independent station to

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## Utility pays \$900,000 for illegally sharing customer data

By Melissa Campanelli

Washington state regulators have penalized Puget Sound Energy almost \$1 million for violating consumer privacy laws by sharing customers' private information with an outside marketing partner without the customers' written permission.

PSE transferred more than 65,000 telephone calls from new or relocating residential customers to a firm that then tried to sell them telephone, lawn and newspaper services, the Bellevue, WA, utility said in a settlement reached Jan. 22 with the Washington State Utilities and Transportation Commission.

"Here we conclude that PSE intentionally violated the rule as part of a corporate decision to sell its customers' private information for financial gain," the three-member commission said in its written decision, noting that PSE had participat-

ed in the rulemaking process that resulted in the privacy regulation being adopted just one month before PSE began its marketing program.

Puget Sound Energy (www.pse.com) referred a call for comment from DM News to the commission. PSE is the state's largest electricity and natural gas utility, providing electricity service to 1 million homes and businesses in nine Washington counties. The company also serves 700,000 natural gas customers in six counties. More than 342,000 customers receive both electric and natural gas service from PSE.

The WSUTC is the state agency in charge of regulating private, investor-owned electric and natural gas utilities in Washington.

"This story shows that privacy tends to get pushed to the background when a company has

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## Shop.org takes a peek at the future of retailing

By Dianna Dilworth

Shop.org's FirstLook 2007, set for Jan. 31-Feb. 2 at Gaylord Palms Resort in Orlando, FL, will focus on the future of retailers and customers alike.

The show unites Internet and multichannel retailers with service providers for a look at major issues in the coming years and some innovations aimed at tackling these issues. There are 550 registered attendees, but the National Retail Federation, Shop.org's parent group, expects that number to surpass 650 via on-site registration.

"Online executives from companies such as Yahoo, Overstock.com, Bazaarvoice and

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## FOOD DMERS STRETCH SEASON FOR BOUNTIFUL HOLIDAYS

By Chantal Todé

With consumers doing holiday shopping later every year, savvy direct merchants are figuring out ways to extend their season to compete with bricks-and-mortar retailers.

For example, year-over-year sales were flat for several specialty food catalogers and Internet retailers at the start of December.

But thanks to an additional mailing that month and intensified online marketing activities, they



A second mailing in December spurred sales.

achieved an average sales gain of 16 percent versus the prior year,

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## New Year. New Career.

DM News introduces an all-new "Classified/Job Market" feature on DMNews.com. A standard ad costs \$225 for 30 days. Job applicants can send a cover letter and resume through DMNews.com

DMNews.com/jobs.php



## NEWS:

## Database

# PRIMIS rebrands 3 units for integrated marketing

By Melissa Campanelli

PRIMIS Marketing Group began a major rebranding Jan. 22 that aligns three divisions under the AccuData Integrated Marketing umbrella.

Parent firm PRIMIS, Chicago, said the initiative offers a unified product and service mix designed to simplify and enhance the customer experience.

"This is a natural and critical evolution of our strategy to buy, build and synergize the very best of the best in the direct marketing industry," said John Healy, president/CEO for PRIMIS Marketing Group, now called AccuData Integrated Marketing, a PRIMIS company. "We understand industry dynamics and the need to consolidate and optimize every opportunity and relationship. To do so, we must bring our customers clear and easy-to-navigate business solutions. Essentially, we are pulling all the pieces together to create an improved framework for the industry-leading products and services we already provide."

PRIMIS provides services and technologies in data sourcing and enhancement, modeling and analysis, and data management and optimization.

With the rebranding, AccuData Integrated Marketing is the new name encompassing three PRIMIS sister companies: AccuData America (which PRIMIS acquired in June 2003), Hyphos 360 (acquired in November 2004) and MarketModels Inc. (acquired in October 2005).

Each of these companies also has a group name. AccuData America is now known as AccuData Integrated Marketing, Data Solutions Group, and Lynn Rovestad is president. MarketModels is now

AccuData Integrated Marketing, Performance Modeling Group, and Stephen Webster is president. Finally, Hyphos 360 is now AccuData Integrated Marketing, Database Technologies Group, and Rod Dillehay is president.

RedSail Interactive, the new name for CoReg360, a provider of online lead generation solutions for publishers and advertisers that PRIMIS acquired in January 2006, remains a separate company.

"We wanted to keep a little separation between the two," Mr. Healy said.

The strategy is aligned with the company's new complete offering.

"After only a year, 5 percent of our business comes from cross-company sales," Mr. Healy said. "Our strategy used to be buy and build. Now it's buy and inte-

grate. We've created an integrated infrastructure for our clients, and we've now created a brand for them to identify with."

Mr. Healy also said the company has created a four-person support team to help customers choose the right database marketing solution in an effort to maximize their investment. Other enhancements include a unified Web site (www.accudata.com), which presents a single resource for data solutions, performance modeling and database technologies as well as co-registration services through RedSail Interactive.

The company is promoting its new brand identity through a series of direct mail and e-mail messages sent to its 5,000 existing clients. The campaign began the week of Jan. 22. Later in the year, the company will expand its messaging to prospects. It is also promoting its new brand through ads in trade publications, through Power-

Point presentations and at trade shows. The campaign was produced in-house.

The organization's count and order system, AccuLeads.com, will not be affected. Aside from corporate identity such as logos, letterhead and e-mail signatures, PRIMIS said, customers should notice few changes in daily operations, services

and products.

"We are very confident our new identity will make it easier for our clients to do business with us by presenting a simplified, integrated and aligned organization," Mr. Healy said. "Now we can talk to our clients from one platform for four best-in-class solutions." ■



## Research

### Study: Big box stores losing search engine battle

Consumers are six times more likely to be pointed toward independent or Internet-based retailers than to major bricks-and-mortar retailers, according to a study conducted during the holiday season by Internet-Engine titled "Search Share Analysis."

A mere 5.3 percent of the sites displayed by the search engines were for big-box stores. Independent e-commerce stores represented 32.3 percent of the sites. Manufacturer and shopping-comparison sites each drew nearly 21 percent of the search results. The study evaluated search activity for the average searcher, starting with a high-level or category-type search, then refining the search for specific attributes and, finally, looking at a specific brand or model.

"The search terms were entered on the Google, Yahoo and MSN search engines, and the results from the first page were analyzed," said Thom Disch, Internet-Engine's (www.internet-engine.net) founder/CEO. "This typically included the top 10 sponsored search results and the top 10 naturally occurring, or organic, results."

Ten product categories were analyzed, and 2,000 Web sites were manually visited and reviewed.

Internet-Engine, Libertyville, IL, is an Internet marketing firm providing services such as search engine optimization, Web site design and development, keyword research, competitor analysis and search engine submission.

Mr. Disch said that instead of marketing aggressively through search engines, national retailers have relied on branding, repu-

	No. of Sites	Big Box Stores	Ecommerce Site	Manufacturer	Media Site	Comparison or Referral Site	Other
Watches	240	2.5%	40.8%	11.7%	1.3%	34.2%	9.6%
Ramps	170	0.0%	61.8%	10.6%	1.2%	10.0%	16.5%
Strollers	209	4.3%	50.2%	4.6%	0.0%	35.4%	5.3%
Power Drills	212	3.3%	42.9%	9.9%	2.8%	26.4%	14.6%
Treadmills	164	3.0%	18.3%	24.4%	9.1%	32.9%	12.2%
Digital Cameras	150	8.7%	12.7%	8.7%	6.0%	52.7%	11.3%
Snowblowers	199	8.0%	27.1%	35.7%	14.6%	3.0%	14.5%
iPods	260	7.3%	7.7%	33.8%	18.8%	11.2%	21.2%
GPS Systems	246	6.9%	33.3%	26.0%	14.6%	4.5%	14.6%
Plasma TVs	158	8.9%	28.5%	41.1%	9.5%	3.8%	6.2%
<b>Totals</b>	<b>2,008</b>	<b>5.3%</b>	<b>32.3%</b>	<b>20.8%</b>	<b>7.9%</b>	<b>20.6%</b>	<b>13.1%</b>

Source: Internet-Engine

tation and ad campaigns to bring customers into their locations and their Web sites.

"We think this study highlights the ways consumers are using the search engines to improve the way they shop, and this study helps marketers better understand how they will have to modify some aspects of their retailing strategy," he said.

— Giselle Abramovich

### Report: Affiliate marketing yields buyers, not browsers

Affiliate marketing delivers consumers who shop more and spend more, buying rather than browsing, according to a study commissioned by Performics, the performance marketing division of DoubleClick.

Performics (www.performics.com), Chicago, partnered with comScore Networks to examine consumer behavior and compare the performance of the affiliate channel with that of other forms of online traffic. ComScore's (www.comscore.com) consumer panel tracks the online behavior of 2 million individuals.

"The first goal [of the study] was to compare performance metrics impacting affiliate programs across groups of comparable merchants, including several Performics clients who will receive specific data regarding their programs," the report said. "Second, to gain a better understanding of affiliate shoppers' demographic profile within the affiliate channel compared to that of the total Internet population."

The research found that 47.2 percent of affiliate channel shoppers have a household income of at least \$75,000, compared with about 40 percent for the average Internet shopper. And 47.8 percent of affiliate shoppers are ages 45-64. These consumers are likely to have a larger household, as 73 percent come from a

household with two to four people.

The average order size in the affiliate channel equals or betters the Internet average, according to the report.

"Promotions, deals and discounts are critical tools in affiliate program optimization, with affiliate publisher sites in the deal and discount category representing a significant portion of overall volume in the channel," the study said. "As a result, the affiliate channel customers are often mischaracterized as 'bargain hunters' who may not provide unique value for merchants."

Affiliate traffic produces transactions at a higher percentage than does total online traffic, the report said. By contrast, visitors who navigate to a merchant's Web site by typing directly into a browser's address bar or using a bookmark yield transactions at a lower percentage.

"Conversion rate is a very important metric in affiliate marketing and one that is affected by all aspects of the affiliate marketing chain," the report said. "It is up to the merchant to 'convert' traffic into sales, and affiliates value most highly those merchants who convert at the highest rates."

"However, affiliate publishers can also impact conversion rates by sending the most qualified traffic possible," it said.

— Giselle Abramovich

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