

Case Study 1:

Successful Repositioning of a Multinational IT Company Through Targeted Communications

Background

This case study is about a large, multinational IT company that faced many challenges in breaking into the rapidly expanding Net Generation market. Although the company was once the dominant global player in the IT industry, competition — both in terms of pricing and quality of service — became increasingly fierce. Furthermore, it was generally perceived to be an old-fashioned, expensive company, which was too large to relate to the needs of small, up-and-coming Internet businesses and start-ups.

In spite of fierce competition, the company had many advantages over its rivals. It provided new product bundles, special financing options, and dedicated sites for I.T. professionals. It also had a well-established division for dot.com and Internet-related companies, as well as exclusive access to customized, fully integrated solutions for e-businesses.

To create awareness of its many advantages, the company decided to create a powerful Direct Mail campaign that would communicate these benefits to its customers and prospects.

Planning the DM Campaign

- **Setting the objectives:** As a “late entrant” into the Net Generation market, the prime objective for the company was to reposition itself as a **reliable** and **responsive** IT partner that offered the most optimal end-to-end solutions for companies of all sizes.
- **Defining the target:** ISPs, ASPs, dot.com companies and start-ups, as well as venture capitalists, incubators, and investors.
- **Using lists:** having defined its target, the company was able to utilize its database to acquire address lists of both existing customers and future prospects.
- **Building a database:** For future marketing purposes, the company prepared its database for frequent updates on all types of customer information, including contact names, addresses, nature of business, etc.

Creating the Campaign

With the help of its agency, the company produced Direct Mail pieces that included the four essential components: Message, Proposition, Pricing and Response Mechanism.

1. **Message:** The Company is a **quick, reliable** IT partner, **capable** of delivering the most optimal and customized end-to-end solutions.
2. **Proposition:** **Get in touch** and find out how our experience and expertise can deliver optimal solutions that allow your business to grow and prosper in the Net Generation.
3. **Pricing:** The company offers **competitive pricing** on all IT products, services and solutions.
4. **Response mechanism:** Each Direct Mail pack included **an offer to encourage responses** and generate more interest and excitement. **Some executions even included a \$100,000 grand sweepstakes.**

Deliverables

The following are descriptions of the four different executions produced in order to test the effectiveness of various creative approaches. Apart from the email solicitation, each pack included: A letter, brochure, premium offer, and response form.

1. 3D Rug Direct Mail Pack

This was a large 3-dimensional Direct Mail pack, designed to create maximum impact with the recipient. Inside, the content included:

- An introduction to the company as a valuable Net Generation partner.
- Insights into the challenges facing dot.com and start-up businesses.
- Descriptions of the company's various services and Internet solutions.

To instigate immediate action, a **premium lamp** was offered to customers who responded to the Direct Mail pack **within a specified period.**

2. Black & White 10x10 Direct Mail Pack

This was another high-impact execution that corresponded with the **e-culture** campaign. As well as providing an introduction to the tailor-made services and solutions available, it placed a high degree of emphasis on **the company's willingness to assist customers** with all their needs and requirements. The Direct Mail pack included a **\$100,000 sweepstakes** offer to encourage responses.

3. Pink 10x10 Direct Mail Pack

The purpose of this pack was to test its effectiveness against the Black & White Direct Mail pack. Same content; same style; same offer. The only difference with this pack was that it included a **blind outer envelope** on which the \$100,000 sweepstake offer was prominently displayed.

4. Email solicitation

This was a personalised email **based on the Pink 10x10 Direct Mail pack**. It focused on the specific needs of Net Generation companies and **how to manage various challenges, especially funding**. The \$100,000 sweepstakes offer was also offered as a powerful call for action.

Note: The 3D Rug, Black & White, and Pink Direct Mail pack all included a **CD-ROM with a video introduction to the company**, as well as a **survey** designed to capture more information on the recipient's business.

Post-Campaign Analysis

The following table provides a performance summary of each of the creative executions. It includes the quantity of Direct Mail packs sent, total leads generated, and response rates.

| Creative pack | Target | Offer | Response rate |
|----------------------------|----------------|-----------------------|---------------|
| 3D Rug (1st mailing) | Start-ups only | Lamp | 10.4% |
| 3D Rug (2nd mailing) | Start-ups only | Lamp | 10.5% |
| Black & White 10x10 mailer | All segments | \$100,000 sweepstakes | 3.5% |
| Pink 10x10 mailer | All segments | \$100,000 sweepstakes | 5.1% |
| Email | All segments | \$100,000 sweepstakes | 4.4% |

Conclusions and Key Findings

The fact that the Pink 10x10 Direct Mail pack drew significantly better results than the Black & White Mailer shows the advantage of placing the offer prominently on the pack. This may be applied to all future mailings and communications.

The overwhelming response rates of the 3D Rug Direct Mail pack indicate the importance of high-impact creativity, especially when the objective is to generate leads. Meanwhile, email communications also produced respectable results. This can be largely attributed to the attractive offer of the \$100,000 sweepstakes, as well as the quality of the address list.

Overall, the results and qualitative findings from the surveys showed that **funding was one of the greatest obstacles for Net Generation companies**. Responses from the surveys also indicated that **speed of deployment of new services and applications**, as well as the growth potential and scalability of solutions were prime considerations for choosing an IT partner.

As such, the direct marketing campaign not only successfully achieved its objective of **repositioning the company** as a quick, responsive IT partner, but also **generated leads** and allowed the company to **gain valuable insight** into its customers' businesses.