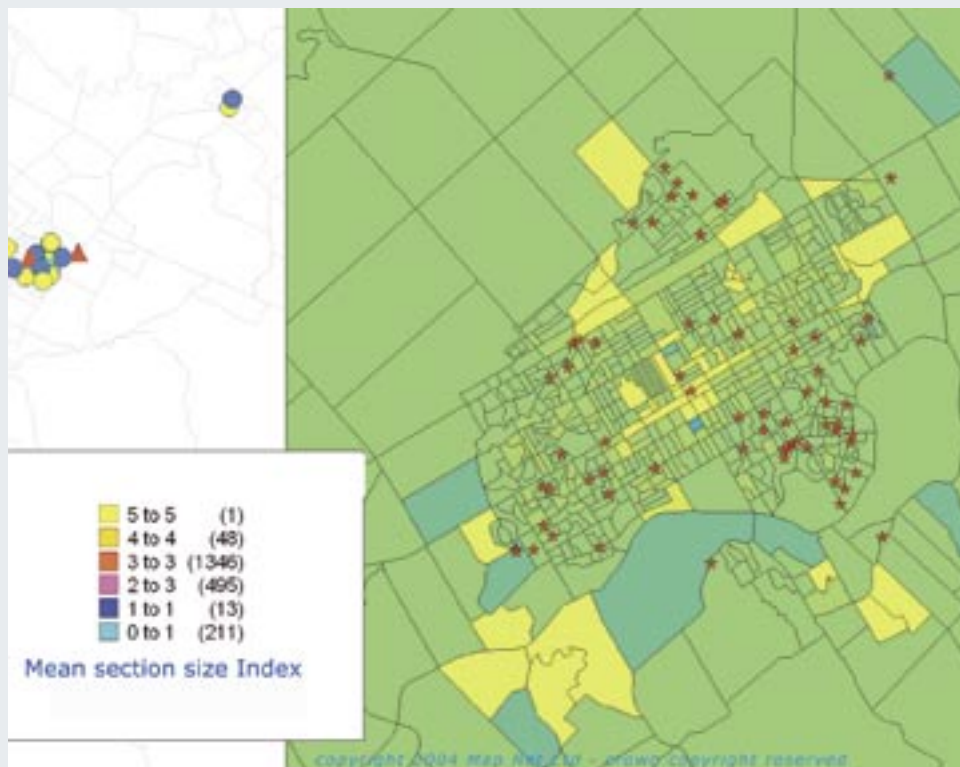


THINKING DM

CASE STUDIES PRESENTED BY NEW ZEALAND POST'S DIRECT MARKETING ADVISORY SERVICE

New Zealand Post 

MOWING DOWN A 35% RESPONSE



CASE STUDY 1

Sector: Engine / garden equipment

Audience: New Zealanders with large lawns

Campaign: Letterbox mailing

Key service: Hot Leads with Geocoding and LINZ mapping

POWERFUL MAPPING LEADS TO 35% RESPONSE TO MAILING

CASE STUDY 1

The huge popularity of gardening and lifestyle properties represents a significant opportunity for suppliers of ride-on lawn mowers. One of the country's leading engine and garden equipment manufacturers recently approached New Zealand Post's direct marketing advisory service - looking for the best way to target potential buyers.

CHALLENGE

The company wanted to communicate with property owners who had an interest in gardening. No difficulty there: our Hot Leads list could easily provide relevant names and addresses, as well as home ownership data.

To maximise the power of the campaign, we asked the company: "is there an optimum size of land for users of your lawn mowers?"

The answer was yes. Hot Leads does not provide this information: it was time for some lateral thinking from the New Zealand Post team.

THINKING

- First we used our Hot Leads to generate the names and addresses of home owners with an interest in gardening and home improvement.
- To protect their privacy (as we would be dealing with a third party) we removed all names from the list.
- We had a local mapping company geocode all the addresses. This gives every customer location a

reference point, which can then be defined with a wide range of potential variables.

- We took the geocoded list to Land Information New Zealand (LINZ) to identify the areas which had addresses within the optimum size for the lawn mowers. This led to a smaller, highly targeted address list.
- Using Hot Leads we added the property owners' names onto the new list. We could then provide the advertiser with a privacy-compliant mailing list of people who like gardening, and who own an ideal-sized property for their ride-on lawn mower.

RESULT

The manufacturer used the targeted list to send a mailing inviting recipients to trial their ride-on lawn mower for free.

Over 35 percent of those who received the mailing took up the trial. And of those who accepted the trial, over 25 percent bought the mower - an investment of several thousand dollars.

"With geocoding and clever data-matching, we were able to target potential customers far more accurately than the client had ever done before. We greatly reduced the number of packs they had to send out, keeping their advertising investment to a minimum - and the results speak for themselves."

Leigh Nightingale, National Sales Manager, Direct Marketing Services

KEY FACTS:

- **Mailing to targeted addresses reduced total mailout size by 58%**
- **Initial Response (for a free trial) was over 35%**
- **Conversion to Sale was over 25%**
- **Geocoding and data-mapping can improve the targeting of almost any list**
- **Targeting can increase sales, while reducing costs**
- **Customer privacy is assured, even during outsourcing**
- **Fixed quotes and timings can be agreed before work starts**

HOW IT WORKS: GEO-DEMOGRAPHICS, GEOGRAPHICAL INFORMATION SYSTEMS AND DATA MINING

The emergence of effective technology and human methods of understanding what is otherwise complex data is called geo-demographics...

All of us belong to a social 'type', defined by a unique mix of common social characteristics such as wealth, age, education, family structures and so on. The location of one defined social type generally indicates that similar types can be found nearby. From a marketing perspective, knowledge of types can be used in two smart ways:

1. the location of your existing customers can reveal their type.
2. the location of suitable types can reveal the location of prospective customers - people who are more likely to respond to your offer, based on response by the same or similar types to past offers.

This knowledge enables you, for example, to make an offer exclusively to types who live in a defined location and who are known to have a high response ratio to the kind of offer you're making. A GIS (Geographical Information System) can assist in both the above steps. First by taking your known customers and using their addresses and data segmentation to assign them types (this process is called Geo-coding).

Second, by exploiting the known locations of market areas which have higher densities of the same customer types. Applying a GIS is made easy with the use of aggregated census data, in bricks called mesh-blocks. Mesh-blocks are small enough to precisely define customer types, but never small enough to identify individual people: privacy is assured.

One of the most compelling uses of a GIS is the ability to use CAD tools to make a database selection (called data mining) in seconds. For example, a border can be drawn around a geographical area or a boundary pointed to, and the underlying data is selected. This process used to take hours: now every business can mine both their customer and the marketplace data quickly and efficiently. The power of GIS platforms has advanced to the point that all available data can be mined and the results displayed thematically, using colours and shapes, while you wait.

The output is often a visualisation referred to as eye-candy - but the very same database can then output address lists for immediate use.



ALL YOU NEED TO HELP YOUR DIRECT MARKETING PERFORM

LOOKING FOR NEW CUSTOMERS?

New Zealand Post can help you find:

- **New Movers** - New Zealanders who have just moved to a new home. A new home means new relationships, new household needs, often a new level of household income, and an excellent opportunity for the astute advertiser.
- **Hot Leads** - New Zealanders who have told us they like shopping from home, and told us what they want to hear about. So, you can target your mail - while they get offers that are relevant to them.
- **Rural Post** - Farmers and lifestyle block residents. Targeting options include occupiers of sheep, beef or dairy farms, lifestyle, and tourist activity.
- **Household Addresses** - over 1.5 million deliverable, privacy-compliant addresses.
- **Unaddressed Mail** - Via our unaddressed mail specialist, The Letterbox Channel.
- **Targeted Audiences** - We use geocoding and other data mapping tools to refine a new or existing database which can reduce the size of your required mailing list, and increase response rates.

NEED TO KEEP TRACK OF YOUR CUSTOMERS?

New Zealand Post can help you with:

- **Address Correction** - Mistyping, misspelling, postcoding and incorrect formatting on your address database
- **Database Updating** - Have your customers moved without telling you? They may well have told us. We can help update your database, saving you money on mailing costs and increasing response rates.

LOOKING FOR DIRECT MARKETING EXPERTISE?

Our direct marketing advisory service is here to support the success, innovation and growth of direct marketing in New Zealand. If we can't answer your direct marketing related question - we will find someone who can.

PRIVACY

All New Zealand Post Databases comply with the New Zealand Privacy Commissioner's Recommended Code of Practice.

CONTACT US

To ask for other case studies from the THINKING DM series or to discuss how we can help you get the best results from your direct marketing investment, please contact us on **0800 804 307** or at **dmas@nzpost.co.nz**

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