

Marketing Insights

By AK Insights Ltd.

Special Issue

What's Important To You

Welcome to our first Special Issue!

We've dedicated our special issues to providing you with information related to data-base management and direct marketing but that is of *unique interest to your industry*.

We certainly hope that you'll find it relevant or interesting at the least.

Sincerely,
The Team at AK Insights

Customized Event Invitations Help Sell More Ford SUVs

By: Steven Schnoll, Jan/Feb 2003

With strong market share for its Explorer SUV in 2000, Ford Motor Co.'s marketing strategy was somewhat textbook: develop a program that would maintain, as well as improve, the vehicle's position among the clutter of newly released competing SUVs. The solution: a nationwide enthusiast- event tour, with invitations customized based on current or previous customers' individual interests.

After the devastating news concerning the Firestone tires equipped as standard on all Ford Explorers, however, Ford was faced with not just an ordinary marketing test, but also one of the most catastrophic problems in its history, making the success of the program even more important .

Data was the driver

Ford drilled deep into its database of customer information - called the Customer Knowledge System (CKS) - for insightful information on Ford owners. We data mined the records of our SUV owners looking for particular tastes to build an effective relationship marketing program," says Doug Scott, truck group marketing manager and former SUV group marketing manager.

This was no easy task, since many of these records were in disparate systems that did not communicate with each other. To help round out this information, Ford conducted some research and learned that its SUV owners were more than just suburban soccer moms. They were often active outdoors people involved in a variety of lifestyle activities. The challenge was how to capitalize on this information to stimulate the purchase of another Ford product.

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*Data, Knowledge,
Insights!*

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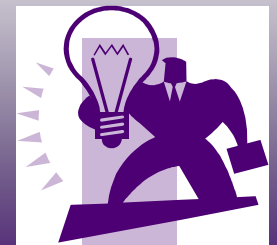
Driving E-Shoppers Into
Customers

AK Insight Services

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**Is Your Business
Equipped To Outsmart
The Competition?**



**"If you have
foresight, you
are blessed, but
if you have
insight, you are
a thousand
times blessed."
- Old Chinese Proverb**

Customized Event Invitations Help Sell More Ford SUVs

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Working together with Detroit-based agency J. Walter Thompson and marketing services firm Budco, the “No Boundaries Experience” (or NBX) program-was born. With kayaking and white-water rafting pools, climbing walls, downhill ski simulators, on and off-road test tracks and a personalized direct-mail campaign, Ford bet it could maintain brand loyalty by drawing significant crowds to these lifestyle events.

Budco designed and mailed personalized and versioned invitations to customers based on the interests mined out of the CKS database. If a person liked kayaking, his personalized brochure showed a kayaking photo.

Over the last three years, Ford has run 18 interactive NBX brand events for more than 100,000 customers culled out of the CKS database. Attendees test drove an average of seven vehicles and spent over two hours at an on-site event. This all occurred while Ford was undergoing one of the most battering marketing experiences in its history.

“We segmented the CKS database to carefully build a predictive model of who would not only attend a lifestyle event but also repurchase, explains Glenn Fontaine, a director at Budco. ‘We chose the people to invite and then created personalized invitations.’ Registrations were taken via a Web site and toll-free number. Individualized confirmation letters were also sent, and each participant was bar coded, so Ford could monitor his activity. Every event was scrutinized and tracked against a non-invited

event control group.

Events were staffed with athletes skilled in the respective activities to ensure a pleasurable, safe experience. The on- and off-road driving experiences had professional drivers to teach both basic and advanced driving techniques on all types of terrain, in all weather conditions and at any speeds. The goal of each event was to make it exciting, entertaining and educational.

Response outshines goals

Ford surpassed its goals: 93 percent were satisfied with the events; 84 percent said they were more likely to purchase another Ford product. The previous loyalty rates on SUV products were in the 55- to 60-percent range,” notes Ford’s Scott.

After nine event cities, 9.9 percent of attendees, who were all current or previous owners, purchased another Ford product in 2001, vs. 3.1 percent for the control group. In 2000, with five cities, 11.3 percent purchased or leased a new vehicle, vs. 4.7 percent for the control group. To date (2003), the average attendee test drove at least seven different Ford vehicles, equating to more than 100,000 test drives. Those who did not purchase represent a highly qualified prospect list.

One of the more interesting highlights of the program was how Ford dealt with the local dealer networks. Ford

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Driving E-Shoppers Into Customers

By Don Peppers, Feb 2002

On the heels of recession, the auto industry’s customer-friendly financing plans helped the US. economy stay afloat during Q4 2001. In one patriotic swoop of marketing genius, auto manufacturers engineered a wave of new vehicle sales, albeit to varying degrees of profitability.

But temporarily lost in the economic crisis, is the auto industry’s effort to meet the needs of a growing number of customers who are researching, comparing, and purchasing vehicles online. Interacting with Web site visitors, and building relationships that turn prospects into loyal customers both online and off, is fast becoming high priority. And with good reason. According to Jupiter Media Metrix the percentage of Internet generated new car sales is expected to rise from 13 percent in 2001 to 32 percent in 2006.

Here’s a case in point: It was 8pm. on a September Saturday when Julie Chaffee, VP of marketing and sales at NY-based Chaffee’s Swimming Pools, found out a company van went bust at one of the busiest times of the year. Existing customers are calling for seasonal pool closings, explains Chaffee, and there’s a rush to get as many “holes” dug as possible before winter. It was not the best time for one of our older vehicles to bite the dust

Dealerships were closed and time was precious, so Chaffee logged onto Ford.com to explore her options. Why Ford? I had recently received two direct mail pieces,”



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Driving E-Shoppers Into Customers

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she remembers. One recalled that her company had purchased a van from Ford in 2000 and offered her a "cash back" incentive. A second piece, also personalized, offered incentive financing. So I figured, lets see what they have on the Web," she says.

A match made in auto heaven

"Clicks and bricks: that's what we had in mind back in August 2000 when we began forming Ford.com," explains spokesperson Chris Vinyard. The goal was to build powerful functionality, a link with Ford.com as well as a consistent look and feel to participating dealer Web sites. Participation is voluntary, but so far about 80 percent of dealerships are working with Ford.com to link inventories and other site-specific information.

What we're finding," says Vinyard, "is that Web prospects tend to be much better prospects than customers who just wander in". Internet shoppers, he says, tend to know what they want and when they find it, they complete the transaction quickly". To date, says Vinyard, "We're running a closing rate of about 16 percent--much higher than with customers who visit dealerships alone". ❖



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corporate paid for the majority of the program's costs because it didn't want the regional events to be sales oriented. The mission was to provide an outstanding visitor experience that stressed the pride Ford had in its product line and the respect it had for its loyal customers," Scott says.

What's next?

Ford now has some pretty powerful information about its customers' habits, lifestyles and interests. It should take that information and use it to offer customized add-ons for its SUVs that match the wants and needs of its most valuable customer groups.

A customer advisory board, from which feedback could be looped back into the organization, would ensure Ford's competitive edge by more closely aligning its products and services with what its customers value most. ❖

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Cost-effective, innovative, additional routes to your customers.

AK Insights provides full service expertise in the areas of Database Management, Direct Marketing and Small/Micro Business Marketing.

DATA MANAGEMENT

Data gathering (e.g. member data, general surveys, retail surveys, audits, etc.), data entry and ongoing database management.

DIRECT MARKETING

Postal & email marketing; Loyalty/ membership programs; Newsletters; Mini web-sites; Database surveys, etc.

SMALL/MICRO BUSINESS MARKETING

Development and implementation of marketing plans & strategies that focus on non-traditional marketing methods (a.k.a. "mini-media") and are affordable, creative, unique and effective.



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