

Holiday Marketing: Make Your List and Check It Twice

By Lissa Napolillo

For retailers, catalogers and other multi-channel marketers, the importance of the holidays cannot be overstated. Holiday sales can bring up to 40 percent of annual revenue and more than half of annual profit.

Now is the time to check that list to make sure you haven't missed a chance to make this the best holiday season ever. Here is a list of "to do's" to review right now:

Visit the Ghost of Christmas Past. Start your holiday planning with a review of last year's performance, test results and challenges as well as present and projected marketplace shifts and merchandise trends. Response analyses of individual campaigns as well as overall season performance should be integrated into this year's marketing strategy. ROI should be calculated for each promotion and for each customer segment.

Clean house. Coordinate list hygiene and database updates with your major promotions so you work with the latest customer information when making direct marketing selects. Allow time for the merge/purge process, and devise a hotline strategy to ensure that your most recently active cus-

tomers, who are among your most valuable, get the promotional attention they deserve.

This is also the time to restock your modeling arsenal, adding new models and tweaking the tried and true. Ensure all data append elements have been refreshed and score the most up-to-date database.

Check the calendar. When scheduling promotions, in-home dates and response tracking periods, consider where Thanksgiving,



Lissa Napolillo

Hanukkah, Kwanzaa and Christmas fall in relation to each other. An expanded or compressed gift-purchasing season can occur, and you will need to plan accordingly.

This year, from a promotional standpoint, while there is a convergence of celebrations — Hanukkah starts at sunset Dec. 25 and the beginning of Kwanzaa follows Dec. 26 — a late Hanukkah will shift sales, making the post-Christmas period even stronger than last year.

This also means, however, that order processing and fulfillment operations will be especially overloaded in the week leading to Christmas. Add extra elves to your undertaking staff. Re-evaluate cut-off dates for holiday in-home receipt accordingly and maximize express shipping services.

Spread multicultural cheer. Different cultures observe the holidays in different ways, but entertaining is an overriding theme. If you can identify ethnic groups with confidence, you can target creative and offers just to them. Past purchasers of specific holiday-themed merchandise can receive a targeted version of a catalog or an invitation to an in-store celebration.

Capture the data along with the holiday spirit. Data capture is usually a challenge during the holidays. Stores are crowded, lines are long and patience is short. Review your data capture protocols now to see how you can streamline the process during the fourth quarter. Institute incentives for compliance in the third quarter, bolstering your database just in time for last-minute shopping communications.

Never forget old acquaintances. The holidays are the perfect time to reactivate dormant customers and prospect for new ones. The sheer number of often overlapping promotions in this compressed time lets you churn through your database, ensuring that all customers receive at least one communication. Modeling can help sort the wheat from the chaff, but you can almost guarantee that a customer who remains inactive for the duration of the holiday season is lost.

Refrain (joyously) from testing. Any test-

ing should be completed before the holiday promotional period, letting you minimize risk, optimize response and maximize ROI. If testing must be done, limit it to a minimal number of panels and the smallest statistically significant sample sizes. Higher expected response rates during the holidays let you use smaller test cells with confidence, concentrating resources on what works best.

Capitalize on the last-minute rush.

As the Internet's popularity as a purchase channel has grown, so has the tendency to procrastinate. Your holiday marketing strategy must address this trend. There are two basic promotional philosophies here: Get consumers to change their behavior by starting with aggressive early-bird offers that diminish as the season ends; and go with the flow by starting with soft offers that become progressively more aggressive as shopping deadlines approach.

Multichannel marketers with a retail presence have the advantage of providing last-minute shoppers with alternatives: expedited delivery or a trip to the mall, perhaps creating new multichannel shoppers in the process. E-mail and low-cost postcards are ideal to drive these last-minute sales. Catalog mailings earlier in the season are needed, though, to familiarize customers with your products and offerings. So when measuring the cost of your sales, measure across multiple promotions as well as the immediate vehicle that drove in the sale.

Continued on page 38



Lissa Napolillo is a managing partner at MBS, Central Islip, NY, which offers outsourced database marketing and CRM solutions. Her e-mail address is napolillo.lissa@mbsinsight.com.

Continued from page 18

Making Your List and Checking It Twice

Have "Rudolph" ready. Be prepared for anything. Even the weather — too warm, too stormy, too cold — can affect response rates and store traffic. You need alternative plans and resources. Make these plans well in advance and be prepared to adjust offers, increase mail quantities and add mail drops and/or e-mail deployments to compensate for missed revenue goals.

Tie it up in one big package. Holiday promotional plans are complex. To ensure flawless execution, create a promotion calendar that includes all efforts in all channels. Ensure

you read your results correctly across channels. Catalog marketers should use a match-back process to allocate response correctly. Read the results weekly and make any necessary adjustments to your marketing plans.

Make your New Year's resolutions early. Start 2006 right. Recap the holiday season as soon as it's over. Document what strategies worked and what didn't, analyze individual promotions to determine how to strengthen them and re-evaluate customer segments following the holiday season. Then start early on next year's holiday planning! ■