



50th Annual Business Meeting and Volunteer Recognition Luncheon



Celebrating the Journey.
Directing the Future.

Don't Look Back: Why Past Behavior Isn't The Future Of Direct Marketing



Zain Raj

The Chicago Association of Direct Marketing is fortunate to have so many talented, inspiring, and unselfish volunteer leaders who help drive CADM throughout the year. This year's 50th annual meeting provides a wonderful forum not only to thank them, but also to recognize the significant roles they play as DM professionals. Of the year's entire calendar of CADM events, this one is sure to attract the "Who's Who" in the Chicago DM community.

This year's special program features a provocative and fascinating look into the future of Direct Marketing by Zain Raj, EVP and Chief Marketing Officer for Euro RSCG Chicago. As CADM winds down a yearlong celebration of its 50th anniversary and its proud past, we now shift our theme to "Directing The Future" as Zain explores how real-time solutions will drive the DM industry in the future. He'll address how technology that "thinks like we do" will help us predict consumer behavior, making us ever more valuable marketing partners.

The annual meeting also serves to launch a new cadre of talented leaders as it marks the beginning of new terms for officers, board of directors' members, and the chairs of CADM's committees and Special Interest Groups (SIGs). A highlight of the luncheon will be the transition of leadership from Michelle Blechman (Abbott

What: 50th Annual Business Meeting and Volunteer Recognition Luncheon
"Don't Look Back: Why Past Behavior Isn't The Future Of Direct Marketing"

Speaker: Zain Raj, EVP and Chief Marketing Officer, Euro RSCG Chicago

When: Wednesday, August 10, 2005
11:30 a.m. Cash Bar and Networking
12:00 p.m. Luncheon and Program

Where: The 410 Club (in The Wrigley Building)
410 North Michigan Avenue, Chicago, Ill.

Fee:	Member	Non-Member
Before 8/6	\$44	\$49
8/6-8/9	\$49	\$54
At the door	\$54	\$59

To register: Call 312.849.CADM (2236) or visit CADM's web site at www.cadm.org

Laboratories), 2004-2005 president, to Joe DeCosmo (Allant Group), 2005-06 president. Jim Sherman, Director of Direct Marketing for the Chicago Mercantile Exchange, will be awarded the 2005 Natalie P. Holmes Volunteer of the Year award, and Mitchell Lieber will receive the "Toward the 22nd Century" Award. This general membership luncheon is open to all CADM members, guests, and clients. ■

Toward the 22nd Century

(Editor's note: In celebration of CADM's 50th anniversary in 2005, the Board of Directors approved an essay competition open to all Association members. Authors were invited to address any aspect of the future of direct marketing. All essay submissions were presented "blind" to a select group of experienced direct marketers on the 50th anniversary marketing committee. The winning essay is presented here.)

By Mitchell Lieber, Lieber & Associates

Let's journey to Direct Marketing's future. Ideas born at the dawn of the 21st century seem

embryonic when viewed after their full expression decades later as the 22nd century approaches. DM has morphed from *Direct Marketing* to information-based DM or *Data Marketing*. DM now drives retail as well as direct. DM messages are immediate, constant, and at the consumer's fingertips, but filtered by pre-set consumer preferences. Media, geo-marketing, and search have undergone huge transformations.



Mitchell Lieber

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Filtering, Search, and Geo-Marketing

Consumers are always reachable with video, audio, and text via personal communicators — advanced successors to the Web and Blackberry™ cell phones.¹ Personal communicators are embedded in clothing,² or body,³ and heavily filter marketing messages via presets of interests, such as, for 5 pm Tuesday:

- Baby gift (2 miles)
- Flowers (1 mile)
- Southern Italian restaurant (3 miles)
- Jazz (4 miles)
- Sports tickets (Chicago area)

These interests are entered into the communicator effective for a year, month, week, day, hour, or even minute, and extend e-mail filtering to all messages⁴ including geo-text messages generated by retail businesses.⁵ Messages are also filtered based on distance from one's exact location at any moment, shown as (x miles).

Martin Baier's 20th century innovation of zip-code marketing has been transformed into geographic marketing based not only on where people live, but also on where they are at a particular moment.

Personal calls are also filtered for the 5–11 pm time period, e.g.:

- Allow – Calls from personal list 1, business list 3⁶

The descendants of navigation devices in vehicles are robot personal concierges with

“search” capabilities.⁷ Just as with the filtering on communicators, consumers program in what they need, how close it must be, and their deadline. The device proactively finds it for them. A family traveling the interstate on a hot day craves ice cream and enters it. They see a map of ice cream shops along their route with distance from the exit. The name of each shop, specials, and sales are available at the touch of a button. The family can make a selection and reroute there, or ask to be reminded each time they approach an exit near ice cream. Listings are pay-per-click. This new type of search becomes as important to retail business as Web searches and yellow-page listings were in 2005.

Predictive modeling reaches new heights, merging demographic, lifestyle and individual preferences and buying histories with *geographic location histories*. The new models consider:

- Who, with what characteristics and buying history, is *where* and *when*
- Who, with what characteristics and buying history and *at what geographic proximity*, buy.⁸

DM Converges with Retail

Information-based DM has shifted from Direct to Data Marketing because it is used both for direct sales and retail. Prada's early 21st century RFID clothing that identifies customers and “pops” their database record as they enter the store is commonplace, but, as then, sales clerks require training to better use this data.⁹

Some stores are converged stores where consumers examine and try products. Routine questions are answered through automated “expert system” knowledge-bases for each product accessed by touch-screen or speech (recognition). In a pinch, consumers ask for a live contact-center agent. The purchase is usually made on-screen or via speech. Purchases are delivered, or retrieved from the warehouse and handed to the customer as they leave the store. This business model reduces labor costs and helps consumers get lower prices.¹⁰

Media Morphs

Media is changed too. Newspapers download to flexible, cloth-like flexible

screen¹¹ newspapers that can display video and links to more details. Ads feature e-mail and phone response via the touch of a virtual button on the LCD “paper.” A thousand radio and TV channels are available with most songs, music videos, TV series episodes, and movies available “on-demand.” Commercials are integrated into on-demand programs or access screens to reach these viewers.

Products sport embedded advertising-communications systems. Embedded e-mail devices in cars ask if you'd like to schedule your regular service with the dealer, give you options for times, and send the message to the dealer to schedule the appointment. They also sell accessories. Bicycles, home HVAC systems, and other products are similarly “connected.”¹²

Embedded communication isn't limited to machines. Bluetooth headsets were just the beginning at the last turn of the century. Personal communicators are embedded into clothing with voice-command capabilities, mini keyboards literally “up your sleeve,” and screens built into eyeglasses.¹³ The always-in-touch human begins to resemble a creature from Star-Trek's The Borg.

Three-dimensional holographic projections literally bring advertising into the room, with clothing and more modeled in three-dimensions and celebrity endorsers appearing like real life when they deliver the “call to action.”

Like the big screen on Star-Trek, e-mails are video mail. The home entertainment center's big screen accesses all media from Holograms to Digital TV to Web to Video Phone. Web chat, text messaging, and instant-messaging have converged.¹⁴ Multi-channel and at-home shopping generate more sales volume than pure retail.

The World Shrinks

More business is global, with manufacturing, ordering/service, and marketing often located in different countries. Distribution locations are on multiple continents. New monetary standards make international transactions easier and more secure. Improved computer-based translation software¹⁵ fosters worldwide ordering via computer and speech-recognition.



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2099

Although there are new media and new ways to reply, DM continues to be about 50% list/media, 25% offer, and 25% creative. Amid vast changes, some principles are immutable.

Of course, the innovations and world described above are old news in 2099. These were in place decades earlier, many by 2054 for DM Days 100. DM in 2099 was truly inconceivable in 2005. Could Messrs. Sears and Ward have foreseen catalogs created with a computer and viewed instantly by buyers around the world via the Web? Probably not, since the earliest electronic computer was invented decades after their passing. However, each generation of Data (Direct) Marketers infuse their work with imagination that each day brings the future closer. ■

Notes from 2005

¹ Cell phone-email-web devices with much faster processors and more memory are inevitable, based on the history of computing devices and “Moore’s Law.” Moore’s Law states that the number of transistors on an integrated circuit chip will double every couple of years. See <http://www.intel.com/research/silicon/mooreslaw.htm>.

² Already available are jackets to accommodate technology. The SCOTTeVEST has a solar panel to charge and special pockets to hold your cell phone/PDA as well as a “personal area network” cord conduit system to connect everything together. They recently introduced Hidden Cargo Khaki slacks. See <http://www.scottevest.com/>.

³ Identification chips can already be implanted. See <http://www.wired.com/news/privacy/0,1848,50187,00.html>.

We commonly implant teeth, knee joints, and pacemakers today. Elective implants of ear-phones, microphones, and “computer screen” eye visors could become as common as piercings.

⁴ Early 21st century e-mail filters commonly let known senders pass through and screen out others. Authentication systems that screen out illegal spammers are currently being adopted. A step beyond authentication of a bona-fide sender could be filtering based on universal product identifier codes transmitted along with authentication data.

⁵ Geo-text messages are a descendant of 20th century realtor’s “talking houses” that use low power AM or FM radio transmitters to beam info about for-sale houses to interested passers by who see a sign beckoning them to tune in. Geo-text messages are transmitted to recipients who are close by and set their filters to accept

messages about the particular product or service offered.

⁶ In the early 21st century, SBC privacy manager service (available for a monthly fee) screens for ok’d phone numbers. Similarly, some e-mail spam blockers only let through pre-authorized addresses. This development simply allows for numbers to be put in address book categories that may be invoked at various times.

⁷ Such devices currently map out routes and currently locate businesses. With the natural advancement of processing power of such systems and software, the PC-like searches and scheduling described are readily achievable.

⁸ This is taking buying behavior models to the next dimension, by adding in detailed data that will be available about traffic and proximity. Imagine if retail traffic studies (e.g., 1,000 people pass this corner a day on foot and 50,000 in a vehicle) included the name and cell phone number or e-mail of each person passing by, and was merged with buying behavior and other characteristics. Location of cell phone devices is already classifiable by which cell sites they use. Location will become more precise as GPS capabilities are integrated into such devices.

⁹ PRADA was very early in this space, and even though they didn’t get its use right, they showed it could be done.

¹⁰ This is simply an aggregation of existing capabilities. Touch-screen, voice recognition, and knowledge-bases (in help-desk software) are already in use. Linking them together in a retail environment is conceivable. Using contact-center agents rather than sales clerks for specialized questions is done by direct marketers today.

¹¹ Researchers at The Dow Chemical Company, DuPont, Xerox Corporation, HP, and others are working on such devices now.

¹² Think of this as a text/e-mail version of GM’s On-Star.

¹³ There is already some activity in the wearable display (visor) market. Early crude versions were used for “virtual reality” rides.

¹⁴ These are similar systems, but are currently proprietary to their medium. Convergence is a matter of standards.

¹⁵ Current versions of this software are crude. Additional processing power, and other expected advancements (particularly in areas such as natural speech voice recognition), may solve many problems.

Mitchell Lieber is president of the contact/call center consulting firm, Lieber & Associates, which assists companies with call center management, metrics, scripts, quality, technology, and training. He may be reached at 773-325-9400 or m_lieber@LieberAndAssociates.com

(Editor’s Note: CADM member’s names, and/or the names of companies with members, are in bold.)

The Allant Group Acquires DeCosmo & Associates

Terry McCarthy, president of **The Allant Group**, recently announced that **Joe DeCosmo**, formerly president of **DeCosmo & Associates**, has joined the company as its new Vice President of Analytic & Consulting Services. Joe will manage the day-to-day business operations of the Analytic & Business Consulting Services business unit, which now totals 20 full-time staff members.

Bennett Wheelless Group Moves Into New Office Space

Neysa Bennett and **Heather Baker** of the **Bennett Wheelless Group** have moved to 33 West Monroe, Suite 2000, Chicago, IL 60603-5411. New telephone numbers: Neysa (312.252.8883), Heather (312.252.8884).

Graphic Industries Moves, Hires New GM

Joe Kukla, president of **Graphic Industries**, a wholesale printing and envelope company, announced that **Kent Kotal** brings 20-plus years of experience with him as the new General Manager. **Graphic Industries** recently moved to a larger facility: 220 Bond Street, Elk Grove Village, IL 60007; 847.357.9870.

Ted Spiegel Elected to DMA Hall of Fame

Longtime CADM member **Ted Spiegel**, professor of integrated marketing communications at Northwestern University’s Medill School of Journalism, and a partner with **The Callahan Group**, will be inducted into the DMA Hall of Fame on October 18th during the DMA’s annual conference in Atlanta. Ted is also a past winner of CADM’s Charles S. Downs Direct Marketer of the Year Award.

CADM Member Launches New Business Book

That Was Zen, This Is Wow is the title of a new book recently co-authored by **Rob Engelman**, president of **Engelman Management Group** in Deerfield, Ill. The book, which contains ideas, thoughts, and inspirations designed to help business people achieve success, is available at Amazon.com.

Doug Lanpher joins Hyphos360, a PRIMIS company, as Regional Sales Director

Hyphos360, a PRIMIS company providing database management and marketing services to the retail, catalog, finance, and direct marketing industries, recently announced that **Doug Lanpher** has been named Regional Sales Director for the Midwest territory. ■