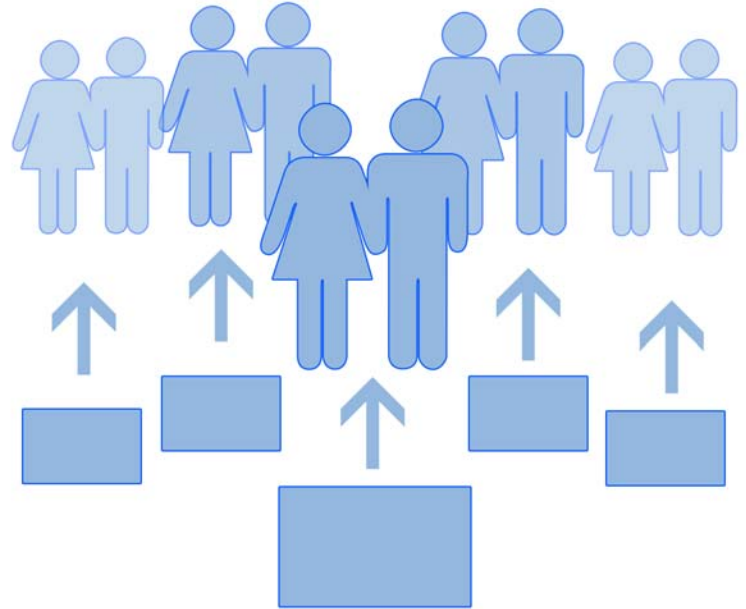


Madison Case Studies

Delivering Efficient Outsourced CRM

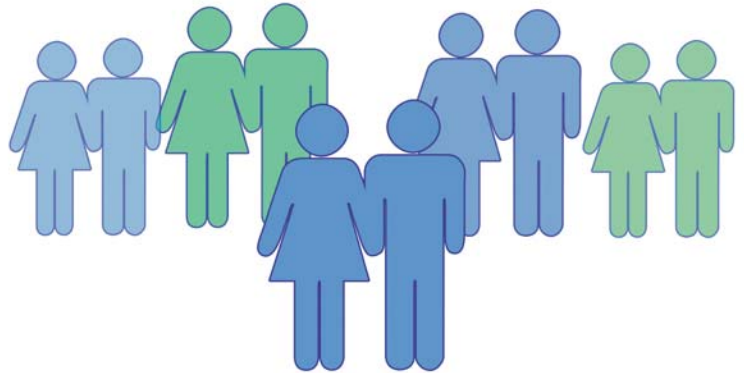
Background: *A major retailer and multiyear Madison client realized distributing the same high-value savings offer to 12 million young families via Madison's multibrand mailers, regardless of whether households are converted shoppers or not, could unnecessarily fund loyalty and thus sacrifice profits. They turned to Madison for help leveraging their consumer database and variable messages and offers to harvest existing shoppers more effectively and in turn drive higher returns on advertising and promotion investments.*



12 million young families received identical high-value savings offer.

Key Issues:

- Less than 30% of young families shop at this category of retailer.
- However, a high percentage of those that do are repeat shoppers.
- Competition in this category of trade is significant, with high value incentives regularly distributed by all category players via mail, targeted magazine delivery, and Sunday newspaper free standing inserts.
- Key client objective was to acquire as many households as possible within the category and then drive high-profit repeat purchase.



Households were then categorized and flagged based on offer response.

Madison Case Studies

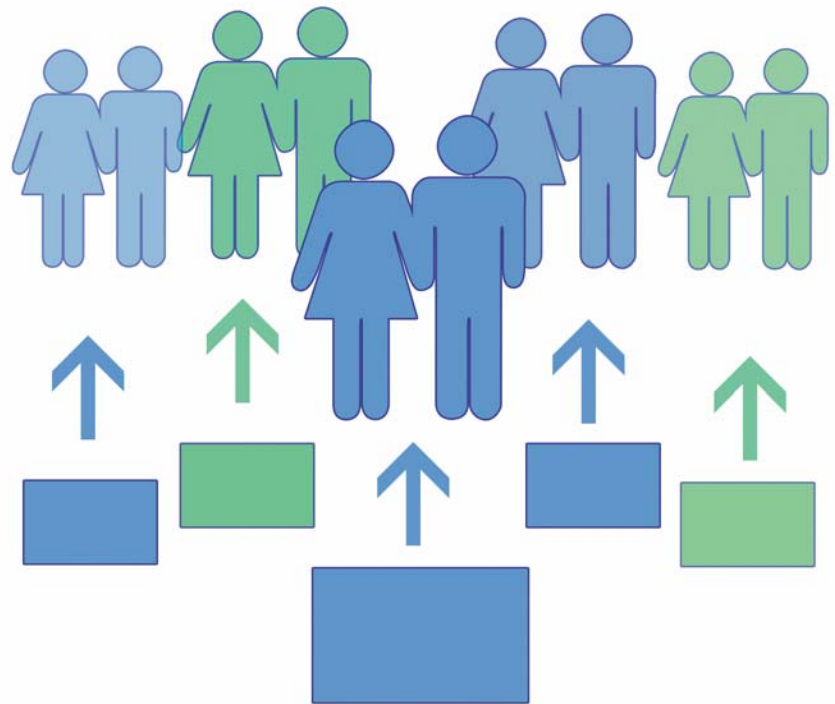
Madison Solution:

- Match client's database against Madison databases on a monthly basis.
- Distribute high-value acquisition offers via all Madison multibrand mailers to households not known to be client customers.
- Identify responsive households and existing client customers. Distribute lower value (higher profit) loyalty offers. Vary offers over time based on response data and vary promotions to keep relationships fresh.
- Distribute multiple simultaneous inserts with varied promotions to top-tier, high-profit customers to maximize volume and profit.

Results:

Isolating prospect customers for high value offers and identifying and tracking known customers for repeat, lower value loyalty offers delivered for this client

stronger consumer relationships and significant, ongoing profit gains.



Ongoing CRM efforts delivered household specific offers in a multibrand environment – based on past offer response and demographics.