



Reader's Digest Gains Cost and Operational Control Over Direct Marketing with Unica®

Unica Campaign helps Reader's Digest cut marketing costs by 35 percent

BACKGROUND

The Reader's Digest Association, Inc. is a global publisher and direct marketer of products that inform, entertain, and inspire people of all ages and all cultures around the world. One of the world's preeminent publishers and direct marketers, the company is best known for its periodical Reader's Digest, the largest-selling magazine in the world with a distribution in more than 60 countries.

THE CHALLENGES

Reader's Digest Association's (RDA) direct marketing operations were relying on an overly-expensive 35-year-old legacy database and a variety of equally costly homegrown software tools for all customer and prospect interactions. In addition to its high cost, this environment limited functionality because it was unable to easily support the new marketing channels and initiatives the company wanted to implement. In short, RDA wanted to streamline the creation of over 600 annual campaigns, while also reducing costs and not negatively impacting results associated with all lead acquisition and follow-up activities, cross-selling programs, and list-rental efforts. The specific goal was to cut overhead marketing costs by 35 percent.

THE SOLUTION

After considering their enterprise-wide requirements, RDA decided to completely renovate their marketing infrastructure, implementing an Oracle database, a variety of industry-standard, off-the-shelf database tools, and Unica's enterprise marketing management (EMM) software suite. More specifically, they selected Unica Campaign Unica's complete cross-channel campaign and interaction management solution.

"After a detailed request for development (RFD) process, we chose Unica Campaign as a key element in our new database marketing infrastructure because it was easy to use," said Joe Devanny, Director of Database Marketing. "In addition, because it can be run on any database platform, we appreciated the flexibility of the solution. Another benefit was Unica's international presence, an important factor for us because we were trying to build a standardized platform domestically that could be rolled out to our global enterprise. And finally, the quality of Unica's sales and technical representatives who performed demo's for us were outstanding, establishing a high expectation of the future support we could anticipate."

Today RDA is using Unica Campaign to drive all acquisition, streaming, and follow-up activities, including telemarketing, direct mail, payment acknowledgements, and list rental. In addition, RDA relies on Campaign to supply the advertising group with ad hoc counts for sales pitches, and to determine the demographically targeted sales edition of the Reader's Digest Magazine that each subscriber will receive. Several examples of Unica Campaign's broad-based benefits are discussed on the following page.

Outside List Campaigns

In RDA's previous environment, because of fixed processing schedules, it could take as long as three weeks to access names for campaigns. But now, with Unica Campaign, we can output names as soon as we receive client approval on output counts. As a result, our list creation cycle time can be cut to as little as three business days—a 700% decrease in cycle time.

OBJECTIVES

- Reduce marketing costs by 35%
- Streamline campaign creation
- Create campaigns on demand
- Increase cross-sell opportunities

RESULTS

- Reduced marketing costs by 35%
- Enabled campaigns to be designed and executed in days—a 700% decrease in cycle time
- Enabled campaigns to be created on demand
- Expedited creation of rental lists

Leveraging Payment Acknowledgements

In the past, RDA only sent simple payment acknowledgements to customers when they paid for their purchases within a set time period. In order to strengthen customer relationships, RDA is testing sending payment acknowledgements with targeted cross-sell offers through Unica Campaign. Triggered every time a payment is made, Campaign automatically sends the acknowledgement and determines the best mini-catalogue to include as a cross-sell offer.

“The more times we communicate with our customers in a relevant manner, the better they’ll understand how important they are to us,” Devanny says. “Satisfied customers tend to be repeat customers, and by including mini-catalogues we enable increased cross-selling opportunities.”

Streamlined Rental List Generation

To optimize revenue streams from its massive marketing database, RDA rents portions of the list to various companies. In the past this line of business was hamstrung by an inability to quickly respond to list requests.

“Before implementing Campaign we responded to list requests once every two weeks because extracting names that met the specified criteria had to occur during our biweekly processing window, and we were just stretched too thin to be more responsive,” Devanny says. “But now, when we get a list order in, we can generate the list in minutes, so our clients get the names they want, within the time frames they require.”

THE RESULTS

Thanks to their new marketing database environment and Unica Campaign, RDA has reduced annual database marketing costs by 35 percent. Furthermore, the new cost structure for database marketing operations is just 40 percent of the cost estimated to run the solution with external service providers.

With Campaign, marketers are able to access data from multiple data sources providing a complete customer view. Prior to Campaign, it took weeks to get the most up to date data in a format that could be used for marketing communications. With Unica’s Universal Dynamic Interconnect (UDI), RDA can read and write data to multiple data sources, allowing the marketing department to turn data into actionable information quickly and easily. In fact, the average time to design, build, and execute, a multi-channel campaign is now measured in days as compared to the weeks it use to take.

THE FUTURE

Since marketing communications can now be rolled out so quickly, RDA plans on performing more pre-campaign testing to optimize campaign results. In addition, the company anticipates running more campaigns, and achieving an even greater return on their investment in Unica Campaign. Farther into the future, having proven itself operationally in the U.S., RDA expects to roll out Unica Campaign and the rest of their new database marketing platform in other countries.



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