

Ramm Technologies, Inc. Presents:

Pet Food Marketing

Challenge – Drive new customer acquisitions

Pet food manufacturers have two potential channels for new customers:

- New pet owners
- Pet owners who switch from another product

Traditionally, pet food manufacturers have used give-away sample bags to try to entice pet owners to try their product, hope the pet(s) like it, and get the owner to switch.

The method has some challenges:

- Existing customers often view the sample bags and coupons as give-aways for them. Fewer, sometimes none, are left for new customers
- Sales sometimes dip after a lot of samples have been given away
(because existing customers are using the sample bags)
- The only marketing that goes with the customer is the small bag itself
- There is no capability to track who gets a sample bag
- There is no capability to touch or market to those people on an ongoing basis
- It is expensive, cost per new acquisition is high
 - ← Human resources
 - ← Travel
 - ← Special packaging
 - ← Labor intensive
- It is not easily scalable

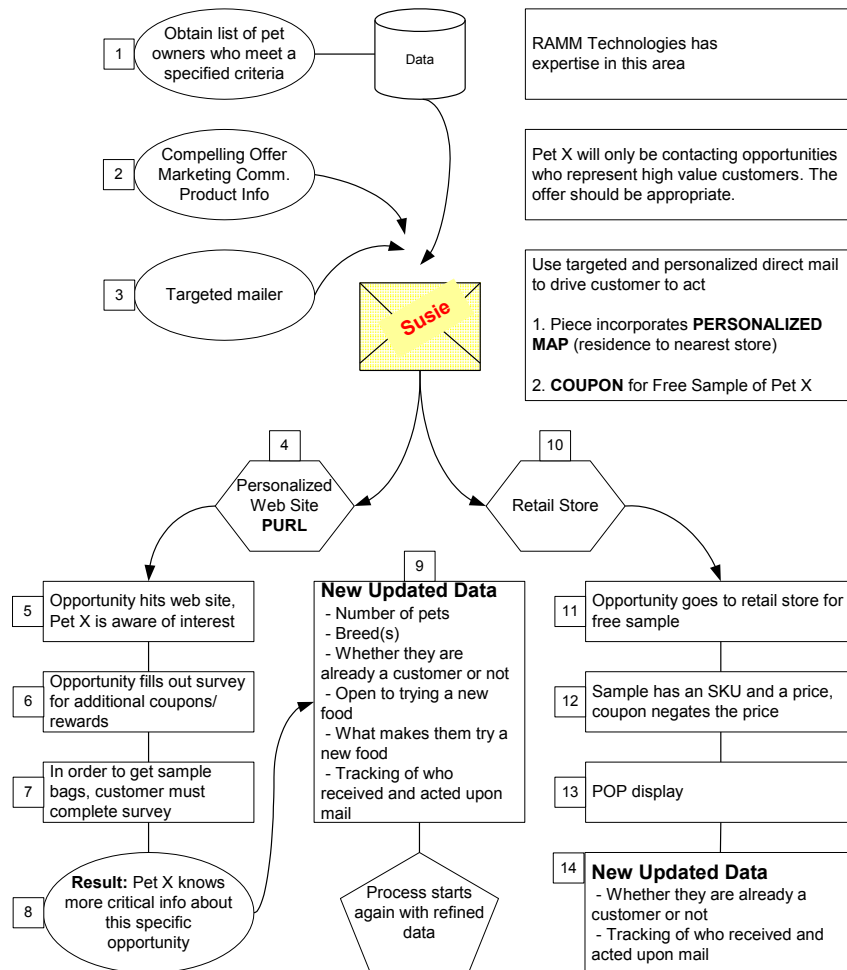
Solution – Targeted and Closed Loop Marketing Campaign

Ideally Pet X would like a campaign that addressed in separate but effective ways:

- ← New business / customer acquisition / opportunities
- ← Existing business / customer loyalty
- ← Customer tracking / Customer Relationship Management (“CRM”)

Each of these three components should be tightly interconnected. A CRM manages existing customers, opportunities and existing customers are closely related. As an opportunity transitions into an existing customer, they become a member of the CRM. Having a closed loop allows the efforts being put forth towards each of these marketing pillars to be fluid and consistent.

A multi-faceted program can be engineered where each segment ties into the others.



1. Obtain list of pet owners who meet a specified criteria
Perhaps the most important part of the project is strong data acquisition. On behalf of Pet X, RAMM Technologies will use its experience and technical know-how to obtain a strong list of ideal opportunity candidates.

Once the list is obtained, it will be studied and segmented to create multiple discrete communication channels. *Typical direct mail makes the same offer to all recipients. It treats all recipients the same. When everyone spoken to in a generic way the response is at best generic. This list will be segmented into micro-markets.*

2. Compelling Offer, Marketing Communications, Product Info
In most cases it is an offer that drives most opportunities to act. An appropriate offer is critical. If the offer is too grand it could adversely affect sales. If the offer is insufficient, response could be lower.

Pet X knows their customers better than anyone else. RAMM will work closely with Pet X marketing to determine the ideal offer.

3. Targeted Mailer
Good direct mail is the most trusted, scalable, cost effective method of making contact with opportunities and customers. RAMM has a successful and proven record of generating 'Good' direct mail. Because there are so many factors that can affect the result, there is no guarantee but RAMM typically sees response rates in the 5% to 8% range.

RAMM has experienced double-digit response rates.

Components of Targeted Mailer

- ← Personalization
- ← Compelling offer based on segment
- ← Map showing nearest retail store¹
- ← Request to act
 - Visit a PURL
 - Visit a retail store

¹ There may be an opportunity to charge back each retail store based on the number of pieces that have a map to it.

So far, in the description of this project, a list has been obtained, a compelling offer written, and an intelligent direct mail piece sent. The recipient has been asked to take action. The following components of the flow represent the action taken.

4. Personalized Web Site, PURL

A personalized web site (i.e. www.petx.com/recipientname-1234) is created for every potential customer. It will be listed on the direct mail piece. It will be unique for every potential customer. As is the case with most web sites, there is a wide variety of web-enabled imagery, effects, and applications that can be employed here. For example:

- ← Flash movie
- ← Hot links to other sites
- ← Questionnaire / survey (upon completion, get a coupon)

The PURL is an information gathering and marketing communications distribution portal. It also allows tracking of who has visited, how many times, and what have they done while there.

5. Opportunity hits web site, Pet X is aware of interest

When an opportunity visits their personal web site (PURL), events are triggered. The visit is tracked; information in the CRM is updated; other processes can be started.

6. Opportunity fills out survey for additional coupons/rewards

A PURL does not have to be a survey but it is one of the most effective ways to engage an opportunity and convert them into a customer.

The successive questions on the survey can be logic based. For example, if the first question is “How many pets do you own?” If the opportunity answers “zero”, the successive questions should be different than if they own “four” pets.

Furthermore, Pet X may offer a different value coupon for a one pet household than to a three pet household.

7. In order to get sample bags, opportunity must complete survey

In other words, in order to get the reward, the opportunity has to give Pet X pertinent personal marketing information. This information is stored in the CRM for later marketing usage.

8. Result: Pet X knows more critical info about this specific opportunity

9. New Updated Data

- ← Number of pets
- ← Breed(s)
- ← Whether they are already a customer or not
- ← Open to trying a new food
- ← What makes them try a new food
- ← Tracking of who received and acted upon mail
- ← Etc

This information flows directly into the CRM.

10. Retail Store

When an opportunity receives a marketing piece, they may act by visiting their PURL or they may take advantage of the personalized map showing the nearest retail store that carries Pet X products.

11. Opportunity goes to retail store for free sample

12. Sample has an SKU and a price, coupon negates the price

If it is indeed sample bags that are the best way to cause owners to try and switch foods and a major challenge for Pet X is that existing customers take sample bags from store displays, the sample bags need to be distributed differently.

They will no longer be free samples. There will be a SKU and price associated with the bag. The coupon on the mail piece as well as coupons from the PURL may cover the entire cost of the bag but they are no longer free to store goers.

Once there is a price, the retail store can no longer allow patrons to take as many as they want and leave the store. That would be shoplifting.

This also forces the retail store to save coupons thus allowing Pet X to track opportunity activity.

13. POP display

While the personalized direct mail piece will engage many opportunities, point of purchase displays can invite retail store goers to a non-

personalized web site to register, receive coupons, and be logged in the CRM.

14. New Updated Data

- ← Whether they are already a customer or not
- ← Tracking of who received and acted upon mail
- ← Etc

This information flows directly into the CRM.