

# BUSINESS IN VANCOUVER

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## Direct marketing goes digital and gets personal

By keeping pace with technology and personalizing its offerings, Vancouver's Contac Services is hoping to convince customers that direct marketing still has a place in company marketing tool kits

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In the age of the paperless online experience, direct marketing might be considered by some as an archaic and impersonal way to reach an audience.

However, **Contac Services Inc.**, a 30-year-old Vancouver company that spent its first 25 years providing distribution and warehousing support to

**"We didn't push [ticketholders] to buy things. It was a soft sell that had a big return"**

—Terry McBride,  
CEO,  
Netwerk Music Group

the travel industry, is capitalizing on new direct marketing technologies to connect with consumers.

With warehouse and office locations in Vancouver, Toronto and Montreal, Contac announced last week that it's opening its first overseas offices in London, Dusseldorf and Beijing in 2009.

In 2004, **Riaz Pisani**, an accountant that had been with the firm for 10 years, acquired a controlling interest in Contac. The following year, he became its president and CEO. Since then, Pisani has ex-

panded the company's services to include campaign design and printing.

The expansion, which included the acquisition of a digital print company and a print and mail house, has paid off for Contac.

The profitable company's sales are projected to reach \$30 million by year's end. Its sales in 2005 were \$3.5 million.

Contac's staff has grown to 300 today from 30 in 2005.

It's hiring three employees a week and expects its headcount to reach 400 next year.

Pisani's conversion of the company into a one-stop shop for the design and delivery of direct marketing campaigns has been a major driver behind that growth.

He has also upgraded the company's software platform from a basic tool for distributing marketing material to one that arranges complex consumer data into personalized direct marketing campaigns.

"In one campaign you're hitting hundreds of thousands of people," said Pisani. "And each [person], depending on their age, gender, etcetera, would like to be catered to differently. Our platform allows for that."

Rather than direct marketing — which conjures images of junk mail and mail-order marketing — Pisani uses terms like "micro-targeting" and "personalized marketing" to de-



DOMINIC SCHAEFER

Riaz Pisani, Contac Services CEO: the company is hiring three employees a week and expects its headcount to reach 400 next year

scribe Contac's business.

For travel agencies, cruise lines and tourism offices, the company's largest market, Contac creates itinerary packages tailored for each customer.

"Say you have a 60-year-old going to Cancun. Their experience is completely different to that of a 21-year-old," said Pisani.

Contac's biggest leap away from the traditional direct marketing model has been

into cyberspace.

Through a partnership with **Netwerk Music Group**, Contac created personal websites (PURLs) for each ticketholder of singer **Avril Lavigne's** North American tour earlier this year.

Roughly 30% used their PURL more than once without prompting.

The average time that each ticketholder spent on his or her PURL, browsing personalized concert information such as

seat information, driving instructions and dinner suggestions, was 3:17 minutes. That's roughly 10% more than the average time that Lavigne's fans spend on her official website.

In the e-commerce shop embedded in the PURL, Netwerk "up-sold" four to five times more merchandise than through other up-selling methods.

"We didn't push [ticketholders] to buy things," said

**Terry McBride**, Netwerk's CEO.

He added that the PURLs had much better metrics, such as click-through rates, than any of the company's Facebook advertising campaigns. "It was a soft sell that had a big return."

Contac's legacy business of warehousing and distribution service is still driven by demand from the travel sector for typical paper-based direct marketing material.

**Aidy Alonzo**, director of **Prestige Cruise Holdings**, the parent company of **Oceania Cruises**, noted that direct marketing is still a required marketing tool for cruise lines.

This year, Contac processed 38,000 consumer and travel agent orders for Oceania.

Alonzo said Oceania's target demographic of affluent, well-travelled seniors prefer to browse catalogues and brochures when making their travel choices, rather than browse online.

"When a customer is making a decision on a luxury cruise, such as Oceania Cruises, they're making an \$8,000 to \$20,000 decision," said Alonzo. "Sending a 100-page catalogue and a DVD of the Oceania experience is absolutely essential, because they will not make a decision like that without extensive information." ■

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