



DATABASE MARKETING SERVICES OVERVIEW

Targeted and properly cleansed data is the backbone of every successful direct mail campaign. Whether used for vertical mailing lists or as part of an integrated customer database, DMG's database marketing services provide a performance driven solution to our clients.

We offer the following services in order meet the unique needs of each of our customers:

CUSTOMER ACQUISITION

- ◆ **DirectSource™** – New customer acquisition is essential to every growing business. DMG's DirectSource™ database is the ideal solution for all of your data needs. It is a recognized fact that transactional information is the greatest predictor of future buying habits. DirectSource™ is a high value list rental file of active multi-buyers from a transactionally built database. This premier direct marketing file provides over 220 million individuals, with related RFM (Recency – Frequency – Monetary) data available. These customers are sourced from mail order and internet purchase transactions related to 165 million U.S. households. One hundred percent of these names are direct response sourced. A full suite of demographic data is also available for targeting only the prospects you're looking for.

DMG can maximize results with our advanced modeling and analytic capabilities. We are able to utilize the full breadth of information available in the DirectSource™ file in order to summarize the demographics and buying behaviors of a "Profile Customer" and create a model that delivers the best names available for each campaign.

Aggressively priced, these are highly responsive records available at a cost that can fit even the most challenging budgets.

- ◆ **List Acquisition** – DMG's marketing specialists purchase millions of names per month for its aggregate client base. We offer data segmentation expertise which helps to deliver the right offers to the right consumers – thereby reducing the cost per acquisition.

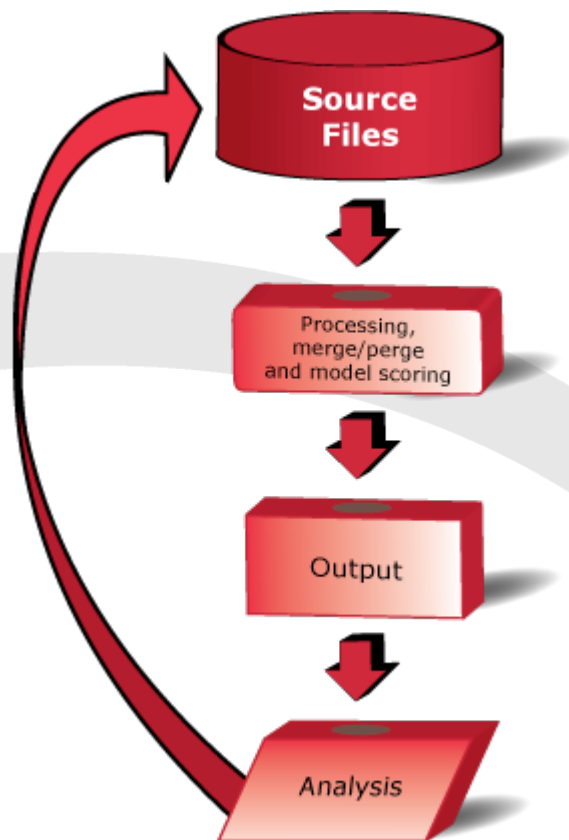
Our list procurement efforts will help build a customized prospect file based on the best lists available in the marketplace. We are always seeking additional files to test for our clients and are on top of the latest industry trends.

- ◆ **Alternative media** – DMG provides its clients the opportunity to access multi-channel marketing through nontraditional medias, such as, email marketing, banner advertising, package inserts, ride-alongs, statement enclosures, and cooperatives.

- ◆ **Prospect Database** – Today’s higher mailing costs are forcing marketers to become much smarter about whom they mail. DMG can put all of our data expertise and experience to work for you by utilizing DirectSource™, list acquisition services and modeling/analytics to create a custom prospect database.

DMG can create a prospect database that will increase the power of acquisition efforts through improved response metrics and reduced costs. DMG’s prospect database solution is designed to identify and suppress prospects that are less likely to respond. In developing this ongoing contact strategy, the prospect database enables clients to significantly improve their overall effectiveness.

Prospect Database Workflow:



Notes on PDB process Flow

- Source Files – These are all the inputs to the database. There are 2 types of files that will be input, selection and suppression files. Selection files include house files and acquired prospect files. Suppression files can also include house files as well as previous campaign mail files and industry/company suppression files.



- Process – This is the initial merge and data manipulation step. This stage is where you define many of your mail/no mail rules, such as how to treat duplicates. Address cleansing and mail file optimization take place at this step.
- Output – If models have been designed, this is where the scoring process and selection takes place. Reports such as duplication, model scoring and multi-buyers are created.
- Campaign Preparation and Analysis – Files are created and sent to the printers or for email deployment. Performance analysis is begun and this will then all feed back into the database as an input to improve the selection of names for your next campaign.

Summary of PDB values

- Allows modeling to take advantage of large compiles files.
- Can include rented files as well as house files
- Campaigns feed upon previous mailings – allowing for advanced contact strategies
- A Single database can accommodate multiple channels and products
- It is a learning process, data gathered from previous campaigns can affect future campaigns

DATABASE ANALYTICS

- ◆ **Profiling/Modeling** – Increased mailing costs and the need for improved ROI is creating an environment that requires marketers to mail smarter. Turning data into dynamic marketing information system is a core objective. From basic profiling to custom modeling, DMG provides predictive intelligence, strategic & analytic services, and marketing automation to maximize productivity and returns for our clients. Our modeling techniques help to form a profitable strategy for house files or rented lists.
- ◆ **Customer Re-activation** – DMG can develop a customer re-activation model that will allow you to use your customer file to its full potential. Most mailers focus on the most recent, active customers. A customer re-activation model will identify active buyers in the marketplace and allow you to present them with the right opportunity at the right time.



- ◆ **Cross-Selling** – For clients with a range of products, cross-selling can represent a large value to the business. DMG can help identify ideal customers for cross-sell opportunities based on their past buying behavior and demographic profile.

DATABASE MONETIZATION

- ◆ **Data appends** – The most important asset for any business is its customers. Utilizing DMG's DirectSource™ file, we can append propensity interest scores to a customer database for internal analysis, cross-sell and up-sell opportunities. In addition, this information allows clients to better understand trends and expansion opportunities within their own files. By increasing the understanding of a customer, we gain their loyalty by giving them an attractive offer at the right time.
- ◆ **List rental enhancement** – Enhance your house or third party marketing files by learning the buying habits of your customers. Appended as propensity scores, the data in the DirectSource file can be used to select, suppress, analyze or create additional segmentation to your file or your affiliates. Your promotions will become more targeted and your analytics more complete with DirectSource appended data.
- ◆ **Partnership marketing** – DMG, with its extensive industry network, provides customers with the unique ability to align customers and their databases to create synergistic marketing relationships.
- ◆ **New product development** – DMG works with its clients to identify natural product line extensions that provide incremental revenue and increase overall customer lifetime value.

DATA SECURITY

- ◆ DMG's facility is one of the most secure data environments in the industry. Because of its extensive experience in financial services, data security is an utmost priority at DMG. Our data protection measures include: sophisticated encryption, unique customer passwords, limited data access, disciplined data maintenance, physical and environmental security control, and comprehensive disaster recovery planning.

MAIL HYGIENE/ DIRECTMAX™

- ◆ **List hygiene** – DMG offers full service data processing services that clean, validate, suppress, enhance, and match records in order to ensure greater accuracy and higher deliverability.
- ◆ **Custom programming** – DMG has the ability to design custom programs based on the specific project requirements from the client. We build these programs using the latest IS tools and database development environments.



- ◆ **DirectMAX™** - applies the most recent address hygiene and consumer buying information available in the market to help ensure that every mailed piece reaches an interested buyer. DirectMAX™ meets the USPS' new "Move Update" policy requirements for mandatory NCOA processing – in addition to utilizing proprietary change of address (PCOA) tactics that locate the freshest records that NCOA cannot find.

DirectMAX™ leverages advanced modeling, robust address hygiene, and a transaction-level database of responsive direct marketing buyers. The result is the most up-to-date information needed to drive campaign success and improve profitability in a dramatic way.

DirectMAX™ Benefits:

- **Never lose contact**
DirectMAX™ uses proprietary change of address solutions to locate the 30%-40% of movers that elect NOT to fill out the USPS' change of address applications.
- **Increase profitability**
DirectMAX™ provides the most up-to-date consumer information, typically three to five weeks more current than that used in production. Using near real time information lets mailers better evaluate each customer's profitability, allowing more accurate mailing decisions.
- **Drop unprofitable names**
DirectMAX™ segments the mail file using advanced modeling capabilities and identifies underperforming names. At the same time, we locate direct marketing buyers with an interest in your products to replace the underperforming names.
- **Generate more orders**
DirectMAX™ applies modeled names to qualify your mailing for carrier route discounts.
- **Improve campaign performance**
DMG offers DirectMAX™ as a service applied to your existing mail file immediately before the printing process occurs.



DirectMAX™ ROI Scenario

Campaign Overview					
Average Monthly Volume	Avg Total Cost p/piece	Total Cost To Mail	Avg Resp. Rate	Avg. # New Clients	Cost Per Acquisition
1,000,000	\$ 0.40	\$400,000	1.00%	10,000	\$ 40.00

Low Yield/Non-deliverable File Segment					
Average Number of Corrections	Average Response Pre D-Max	Average Response Post D-Max	Average Response Increase	Net D-Max Clients Gained	Adjusted Cost Per Acquisition
100,000	0.33%	1.33%	403%	1,000	\$ 36.36

Projected Economic Impact Summary

Cost Savings:

Non-deliverable mail cost savings:

*Savings from **NOT** mailing bad addresses*

Projected Monthly Impact	Projected Quarterly Impact	Projected Annual Impact
\$ 39,868	\$ 119,604	\$ 478,416

PLUS

Added Revenue:

Est. revenue from new netted D-MAX clients:

*Assumes **\$150** in annual revenue per new client*

Monthly	Quarterly	Annual
\$ 150,000	\$ 450,000	\$ 1,800,000

Total Economic Benefit:

Monthly	Quarterly	Annual
\$ 189,868	\$ 569,604	\$ 2,278,416