



Case Study: Dot.Com

Objective

Develop a brief test for a *Dot.Com* retailing consumer luxury products perfumes at discounted prices to determine the impact of various media tactics in driving potential customers to their website.

Strategy

The strategy was to conduct the test in “C” and “D” markets where the opportunity to purchase brand name products that may be limited in both outlet and brand availability.

The test ran for approximately 25 days and involved three geographically and demographically disparate markets:

- ❑ Palm Springs, CA;
- ❑ Amarillo, TX;
- ❑ Savannah, GA

Additional markets were represented on a rotating basis, with varying message frequency, using web banners on media web sites in Colorado, Kansas, Texas, Georgia, and Alaska.

The primary media chosen to test included radio, direct mail, and web banners in Amarillo; direct mail and web banners only in Savannah and Palm Springs.

The radio strategy involved 15-second live spots supported by a daily on-air contest which drove listeners to the website in order to respond correctly to the contest question. The prize for the correct answer was a gift certificate from the *Dot.Com* for a product of their choice.

The direct mail strategy centered on an oversize (6”x9”) postcard, printed two-colors over one-color, sent to a list of individuals in each market known to have purchased specific products. The test drop consisted of 15,000 pieces in each market with half of the recipients also known to own computers and use the Internet. The drop occurred two weeks into the promotional period.



Copy content for all radio and direct mail included the web address (URL) and the “888” toll-free number.

Banner advertising involved teaser copy with a click-through to the *Dot.Com* website.

Total test expenditures were approximately \$10,000.

Results

Results of the test indicated an 85% increase in website traffic over the previous non-promotional period. Trend lines for the periods immediately before and after the active promotional period were tracking downward. During the promotional period the trend line rose dramatically with significant peaks immediately following the in-home dates for the direct mail. Analysis of web traffic against the direct mail drop in one market showed a response rate in excess of 20% (recipients to “hits”).

In order of effectiveness it would appear the radio effort produced a high level of interest and activity, especially around the on-air contest; direct mail produced significant and measurable response almost immediately upon receipt; banner advertising was consistent in sustaining a moderate level of “hits”.

Analysis of hits indicated that the basic strategy appeared to be effective, i.e. a larger percentage of hits were received from Alaska, Colorado and websites with strong rural coverage, thereby supporting the theory relating to market size.

Based upon the post analysis, the advertising effort produced approximately 3,000,000 impressions at a cost of \$.003 per impression.

Analysis of the preliminary data suggested that 1% of visitors to the website bought product, with an average sale of \$50.