

THE PRESCOTT REPORT

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Volume 1, Issue 1

January 2009

The Prescott Report is published monthly except in December and distributed by email or download. For a free three-month trial subscription, see the [special offer](#) at the end of this issue. Full details are also available at <http://www.prescottreport.com>.

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Editor's Corner: New Beginnings

This inaugural edition of *The Prescott Report* comes to you as an introduction to our new venture. It adopted its title "New Beginnings" before then-President-elect Obama selected this as the theme of his inaugural speech, and his administration. But we welcome the opportunity to share the title and the concept.

This newsletter will bring news and analysis from around the world of developments in marketing, data protection, privacy, postal matters and subjects related thereto. This is also

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our recommitment to the marketing community's experts who are intrigued, frustrated, challenged or inspired by the world outside their own nation's borders. The readers of this newsletter should understand that our editorial voice and position is about "making the borders go away", and attempting to interpret the world's various laws, politics, economics and cultures for marketers of diverse backgrounds. We dislike cant and jargon and euphemism, and enjoy a chuckle.

We strive to bring news, information, and intelligence of the global marketplace that we gather from our many sources around the globe, to inform, challenge, and entertain. In our network are many friends in creative agencies around the world, who provide us analysis of the markets and brilliant examples of effective marketing. From the direct marketing associations come news of industry and country development. We also have as contributors the lawyers of the Lucerna Juris network of marketing and data protection law experts in Europe, with whom we are proud to be affiliated. And we welcome contributions from our readers.

However, the analysis we provide is our own, unless otherwise indicated, and we take full responsibility for it. When you disagree, we will not be too proud to publish your disagreement. In fact, we welcome it. Being trained in the law, we firmly believe truth is approached more quickly through dialogue and debate.

The Editor has been an internationalist since 1967, when he stepped off a ship in Le Havre to start a year of university. Little remarked by much of the world, a slow-burning

and steady revolution of politics, society, and economics has been progressing in Europe, with notable outbreaks of dramatic change in 1992 and again in 2002. In fact, 1968 in Europe was an early outbreak of a new century of development for the world, and the Editor was in Paris for it.

The revolution-evolution we have been privileged to observe first hand first in Europe and then for two periods in Asia, and in a minor way participate in advancing, has been astounding. The improvement in quality of life, in the integration of economies, and in the melding of cultures and peoples, is breathtaking. How many among us have children attending university in other countries, speaking how many languages, marrying partners from how many other nations? How many business partners and friends do we first ask when they call, "Where are you?" From what other countries come our customers and clients, and our income streams?

And, unfortunately, from what other countries have come our current economic woes? To which has not the US bequeathed its own?

It is now painfully obvious that we are now in an interlocked and inter-dependent global economy. And we all bear responsibility for its revival, as we bear responsibility for its collapse. No one, and no one country, can be an island. President Obama tacitly recognized this in his inaugural address.

In our view there have now been five critical "world-changing" events in the last 20 years. The end of the license Raj in India and the stirrings of a free market there, the coming

to power of Deng Shao-ping and his announcement that “to grow rich is glorious”, the introduction of the European Union and then the Euro, the launch of the GATT (The Global Agreement on Tariffs and Trade), and our current world recession. In short, capitalism and its “gentle-brother” European-style socialism, have won, although we are now discovering severe weaknesses in regulation of that system. Greed can not win forever and must be contained. In time, democracy will win, also. Human nature aspires to it.

And the GATT? Without it, we would not have the crisis we do now. It is perhaps the most powerful change element of the five. It is a recognition that our well-being increases with cross-border trade and investment. If our economies are linked, if our wealth is understood by us to depend on the wealth of our customers, and our neighbors, we are stronger. In short, interdependence of

economies creates wealth, and peace, and as we have all suddenly learned, different risks. The GATT was a mid-way point on the way to unwind the damage governments did in the wake of the 1929 stock market crash. Let us strive to prevent politicians from rebuilding the barriers it took business and far-sighted statesmen 80 years to tear down. The Doha Round must succeed. And the current, even terrifying, discovery of the weaknesses in our financial regulatory regimes will be noted as a turning point in recognizing the shortcomings of much of our world non-system. Let us be sure that the solutions aren’t retrograde and that legislators’ desires to “do something” aren’t misguided.

For a glimpse at legislators doing just that, we take you to Germany where direct and database marketing are in extreme danger. See **SPECIAL REPORT: Germany’s Mail Order Armageddon .**

II. SPECIAL REPORT: Germany’s “Mail Order Armageddon”

SCANDALS AND ACCIDENTS ROCKS GERMAN LIST INDUSTRY

Since September of 2008, the German dm industry has been under severe and misplaced assault as a series of scandals of a criminal nature and just plain accidents have been disclosed in the press. In one of the first scandals, Mr. Gerd Billen, a consumer protection group official, initiated an inquiry after he bought some 6 million files of personal data including bank information for €850. In another case a former telemarketing company employee copied and sent 17,000 files of customers to a consumer protection group. Deutsche Telekom then discovered that a call center had illegally accessed their database and sold customer data to third parties. This was particularly sensitive since the database contained some 30 million customers. Finally, the press has uncovered other instances where call centers would use customer files of client A to market the products of client B, even after they were supposed to have returned the files. These latter cases have almost always been found to be accidents due to poor record-keeping or other administrative failures.

Calls by politicians, consumer protection organizations and data protection officials for more legislation around data and marketing have been legion. Even though these occurrences had nothing to do with the “List Privilege” now to be abolished, and everything to do with either criminality or sloppy administration, the Federal Data Protection Commissioner, Peter Schaar, recommended that consumers refuse to let businesses provide their personal data to third parties and called for harsher penalties and better enforcement against the use of data for marketing purposes. The data protection supervisor of North-Rhine Westphalia called for a total ban on the sale/rental of personal data and stricter penalties for the illegal trade in bank account details. Politicians saw a “no-way-to-lose” issue and the government has proposed to abolish the “List Privilege”.

The “List Privilege”

Currently, the rental and use of certain personal information in Germany is legal within something referred to as the “List Privilege”. According to legal expert Dr. Ulrich Wuermeling, Latham & Watkins, Germany, and advisor to the German direct marketing association DDV, the German data protection law contains a special provision relating to list transfers without the consent of the individuals concerned. Of course, a careful reading of the law strongly suggests that given the balance of interests of individuals in protecting their personal information such as their name and address, and the interests of businesses in making offers to new prospects, such transfers without consent are perfectly legal even without this special provision. However, when the law was adopted in the 1970’s, one segment of the industry, address book publishers, insisted on having a clear provision inserted that specified that list owners could transfer specific information on their customers for marketing purposes: name/address/profession/category (eg, mail order buyer), academic title, age. This became known as the “List Privilege”, sometimes referred to also as the “List Exception”.

Given the way list rentals are conducted in Germany, it is probably also the case that such a privilege was not necessary in any event. According to Martin Gross-Albenhausen, Editor in Chief of "Der Versandhausberater" ("The leading German Mail Order and E-Commerce Magazine"), “Most list transfers and rentals only involve entrusting the list to a third party who does the mailing on behalf of the buyer or renter. The buyer never gets the list himself. He only knows a new customer is on a list when he responds to the identified mailing,” noted Martin. In short, because the personal information never leaves the control of the owner, it is never really transferred and hence the privilege is unnecessary.

Wuermeling agrees, and observes, “Nothing that occurred had anything to do with the List Privilege, which is unnecessary for most of the business, and this law proposal is an unfortunate extension of consumer protection advocates calling for support of consumer trust, with the data protection officials ‘piling on’ and reviving some old proposals they could not get adopted years ago.”

The proposed law will make it clear that personal information may not be transferred to anyone for marketing purposes, whether another marketer or the mail house, without express consent. According to Gross-Albenhausen, “This law is a mail-order Armageddon.”

Express Consent to be required

The legislation was formulated and introduced on December 10, 2008 and submitted to the Chamber of Federal States for “comments” to be provided by February 13, 2009. No “approval” is required. The bill might be modified by the government if there were significant comments, but with or without them it could then be introduced to Parliament for the readings, Parliament committee evaluation and final vote. The Parliament has full discretion to modify the bill or reject it. Unless debate drags on until Parliament is adjourned, the bill is likely to pass in June.

According to Paul Nachtsheim, General Manager of DDV, the German direct marketing association, the proposed legislation will require the prior consent of the individual for the sale or rental of his name/address/phone number. Such consent will not be able to be implied from failure to opt-out. If DDV and its ally the BVH (catalog association) are unable to get the bill modified, there would nevertheless be a three year “transition” period permitting the continued transfer and use of addresses in circulation as of the effective date of the law. Addresses obtained by companies thereafter could not be transferred without express consent of the consumer.

This is not in fact such a liberal “transition” period. According to Dr. Wuermeling, any change to the personal information in a file, such as a woman’s changing her name after marriage, or a new address, will render it a “new file” and subject to the consent requirement.

A Fine Balance Upset

Martin Albenhausen notes also that political parties and politicians, as well as non-profit companies, will continue to benefit from the “List Privilege”. He also points out that this also impacts business-to-business mail addressed to an individual within a company. According to Wuermeling, the law as proposed permits personalized business-to-business mail but strictly interpreted this to mean only if addressed to the owner. After hearings on the bill in December, he believes the drafters of the law understand their mistake and that it will be possible to do b-to-b mailings as under the present law. However, it is clear that there be a severe impact on the list business and on companies who depend on this channel for consumer customer acquisition.

Mr. Nachtsheim continued, “We have previously struck a careful balance of the industry’s need for new names and the consumer’s protection. There also existed the possibility of consumers registering with the Robinson List appropriate to the media of concern and to have their names suppressed. This law destroys the balance to the economic detriment of many businesses, especially small and medium-sized companies who rely on direct marketing and can not afford mass media like television and radio.”

“This new law won’t solve the problems which the data protection authorities and the press uncovered,” said Mr. Nachtsheim in a telephone interview this month. “Those were criminal acts which are already covered under the present law.”

Dr. Wuermeling cited an increasing sensitivity among consumers to the amount of commercial mail they are receiving, and they often ask how companies are getting their names. There has also been an increase in concern over identity theft, so the public is quite prepared to complain about the amount of mail and support this change. And politicians are quite prepared to accommodate voters where there is no evident downside to doing so.

Apparent Good and Bad

A healthy list business is in fact necessary for the continued functioning of the catalog industry in Germany, according to Albenhausen. He estimates that as many as 400,000 jobs will be in danger if this bill is adopted. "It's unbelievable to destroy jobs because people are irritated when they open their postbox," says Wuermeling.

Moreover, this puts at risk the 7 to 8% of retail sales which are made through mail order and the Internet. "This will impact acquisition of customers and new offers among the older population, who only use the Internet to order, and whom companies reach through list rental," noted Martin. "They won't be hearing from new companies unless they consent to the transfer of their names."

From his position in the catalog industry, Martin is also seeing some unexpected effects of this proposed legislation even before it is adopted. He notes that the German law will not be enforceable outside Germany, and thus will not apply to marketers whose lists are maintained outside the country. He has observed that the lottery mailers are moving operations abroad and that major e-commerce merchants like Amazon and Google are "starting to act foreign", noting that their servers are located in the US and not subject to German jurisdiction.

On the other hand, Martin also sees several non-German companies accelerating their investments into Germany in advance of the expected effectiveness date so that they can acquire as many names as possible before then. "Tell your readers that if they are thinking of coming to Germany, they should do it now. The law phases in for enforcement through 2012, so do it before then so you can still rent names," he urged.

At least one major participant in the list market in Germany, Stefan Mertz, is urging companies to begin now to obtain consent to transfer from their current clients.

Defensive measures

The industry is not taking this passively. Martin's company held a data protection summit on January 22 with mail order companies and lawmakers in order to explain the potential impact and to educate legislators on how business is done by reputable companies. According to Paul Nachtsheim of

DDV, it is proposing a modification to the law that would exempt companies who submitted to data auditing. DDV is also planning additional lobbying work on detailed provisions.

When asked about how seriously the business world viewed this proposal, Ulrich Wuermeling said, “The industry, all the associations, are engaged in opposition. This alliance of all the associations is quite unusual, although of course we don’t see the media like tv and radio. Maybe 25 to 30% of the advertising spend is direct marketing. Moreover, the newspapers and magazines rely heavily on direct mail for new customers.”

“It would also be possible that the European Commission might intervene in the legislative process and comment on the law proposal,” contemplated Dr. Wuermeling. “The European Data Protection Directive appears to say that national laws in Europe can not be stricter concerning control of personal data than the Directive itself, and it would seem that this law would be much stricter. If the Commission were to somehow comment on or question this law proposal, this might delay the legislative process until the end of Parliament, and that would likely be the end of it.”

In conclusion

So in 2008, there was an unhappy confluence of criminal activity involving lists, activity which is under-investigated and apparently under-prosecuted. However, it gave data protection and consumer protection advocates an opportunity to attack everyone’s favorite industry to hate – direct marketing. And politicians, seeing no possible downside, reacted as they are wont to do – without knowledge or information of the potential impact of their actions.

It remains to be seen if the continuing deterioration of the economic situation will lend force to the industry’s well-founded alarm about the impact this law would have on employment.

Given the importance of this legislation to the direct marketing world, we shall keep our readers informed on the progression of the debate and legislative events. Readers with specific question are invited to contact the Editor at Editor@prescottreport.com or call +1.914.533.6890.

III. Readers Trivia:

The Editor recently returned from the Universal Postal Union in Switzerland where he represented the Global Envelope Alliance and was re-elected as Chairman of the mission-critical Consultative Committee, which serves as the point-of-entry and advocate for businesses at the UPU.

While there, we also participated in the meeting of the UPU’s Direct Mail Advisory Board on behalf of FEDMA. The DMAB is funded by the private sector and is devoted to promoting the development of direct mail programs among postal systems world-wide. This inaugural issue of Reader’s Trivia in this, the inaugural issue of The Prescott Letter, is based on the content of three excellent presentations by Bernard Germanier of Swiss Post, Ralf Schlözer of Infotrends and Mark Harrison of International Post Corporation. Each of them spoke on the future of direct mail. And we’ve spiced the quiz up with a timely question about change of address in the US.

Make your guess, and check it in the next section, before proceeding to the next question.

1. In the UK, since 2000, which of these media has lost the most market share of ad spend?
 - a. Outdoor
 - b. Direct mail
 - c. TV
 - d. Press
 - e. Internet

2. Ok, so the trend is clear. Internet, SEO, banners and email is where we should market and direct mail is, in fact, dying and irrelevant. T or F?

3. Slow/speedy payers. Rank the following countries in terms of how quickly consumers can be anticipated to pay their bills, from fastest to slowest: Netherlands, Germany, Great Britain, Italy.

4. A moving experience. Out of the 138 million people employed in the United States, the number who will change jobs in 2009 will be:
 - a. 1 million
 - b. 5 million
 - c. 10 million
 - d. 30 million

IV. Readers Trivia Answers:

1. According to Ralf of Infotrends (market research firm specializing in digital print industry) and Royal Mail, the entire market has expanded as the economy has prospered and advertisers increased marketing activities. However, the “winner” is magazines and newspapers; the category has lost on both relative and absolute share. Where Internet went from “negligible” to 15.6% of ad spend, press advertising dropped from 50.7% to 39.8% of total ad spend.

Internet’s 15.6% share seems to be out of the hide of Press and TV, the latter’s market

share sliding from 27.4% to 24.1%. Good old stand-by direct mail maintains its stalwart share, dropping to 12.1% from 11.2%.

The surprise here is Outdoor advertising, whose share rose from 4.8% to 5.5%, perhaps due to the new moving formats. If you’ve never seen one, I have a short video of an incredibly compelling Motorola mobile phone billboard from Paris. If you would like me to send you a copy, e-mail me at Editor@internationaldm.org.

2. False. In fact, the direct mail ad spend is up in absolute terms and still very relevant, especially in a multi-channel environment.

According to Infotrends, 80% of British catalogue buyers order online after finding a product in a printed catalog, and 55% of Web users find direct mail more personal than email, and 50% think it is more professional. In fact, nearly 61% of a sample of media consumers in the UK said they preferred to receive marketing messages by mail, as opposed to e-mail (20.5%), telemarketing (5.5%), and mobile/PDA (3.4%).

3. That's the order. Research done by Swiss Post shows that the thrifty Dutch are in fact the fastest payers and the fast-living Italians the slowest payers in Europe. In terms of total days from receipt of invoice:

Netherlands: 28.5
Germany: 37.0
Great Britain: 46.7
Italy: 56.3.

Of course this doesn't mean you shouldn't market into slower-paying countries. Just price and plan accordingly. And be sure that in Italy you are not mailing a rented name that didn't come with proof they had agreed to have their name and address given to other marketers. The data protection authorities there have strange views about this subject. More on this under Short-Takes.

4. According to the Gartner Group, some 30 million people in the US work force will change jobs this year. Of course, a substantial number of those "changing jobs" will be completely "changed" and unemployed. Projections are approaching 12 million unemployed before the economy turns around. By the way, the U.S. Census Bureau says 2.5 million businesses will change addresses, also. And some of those may also not just be "changes". Tough times everywhere.

V. *Addressing a Global Problem*

[The Consultative Committee of the UPU has begun a 4-year project on the subject of the address. The vision of the Committee is that every home and building in the world should have an address within a coherent address system, that all these addresses should be accessible in or through a database at the UPU, and that a parallel system for changes of addresses should be developed. That's the vision. This is the first in a series of articles we will publish on the issues implicit in that vision. "Standardizing" of addresses in different systems is not possible. The ramifications for data processing and software companies are self-evident. Editor.]

International Name-and-Address Standards and Standardization

Various individuals and organizations around the world have been working on creating standards for addresses. This is extremely useful to those of us who do business in multiple countries and maintain up-to-date databases of customers, prospect and contacts. (Or, at least we try to keep them up to date.) All of this should eventually lead to better-defined addresses, including what

constitutes an address in any particular country and, hopefully, how an individual's name should appear. The work on these standards has been complicated by differing concepts of what a standard should (or might) include, the different types of addresses that could be included, and the variations in postal addresses around the world.

What is a “standard”?

The words “standardization” and “standard” are so intertwined in use, that the terminology coherently makes discussing the differences difficult. Broadly, for purposes of discussing this, “standard” is used for a technical document designed as a rule, guideline, or definition and “standardization” is the “process of making uniform”. One might say that standards may lead to standardization. Let us take a look at what is happening with addresses.

The various major international organizations working on address standards appear to mean different things by “address”. According to a number of dictionaries, an address is 1. a direction as to the intended recipient, written on or attached to a piece of mail [or email]; 2. the place or the name of the place where a person, organization, or the like is located or may be reached; 3. a specified form or title in speaking or writing to [an individual].

These definitions clarify the problems and issues with name-and-address standards. In applying these different definitions, we might include all kinds of things – telephone numbers, geolocation, email address, mailing address – without even discussing whether we should include the person's name and their honorific, such as Mr. or Ms. The various groups talking about address standards have had to limit what the term will include.

In fact, all of these organizations allow for national variation and difference; none are looking toward creating a single worldwide address template. Each country has its own way of addressing mail based on linguistic, cultural and historical habits and differences. While we still need to allow for these variations, they are becoming easier to define.

Early steps

The European Committee for Standardization (CEN) began work on an address standard earlier than others. It has defined the address mainly in a postal context and, logically enough, in a European context, not covering most variations that occur outside that region. Recognizing that their work is limited to Europe, CEN is cooperating with other organizations to create broader standards and many of the individuals who contributed to the work on an address standard at CEN have continued to work on address standards elsewhere.

The Organization for the Advancement of Structured Information Standards (OASIS) has a broader business-oriented approach including physical, postal and email addresses. It is more inclusive

and allows for more type of addresses but does not include how the address might be translated (or rendered) from, say, a database into a mailing label. The approach has some advantages in that most of us capture more than one type of address and the rendition problem can be solved in many different ways.

The International Organization for Standardization (ISO) discusses physical addresses and thus they eliminate P.O. Box and other such addresses from their standard. ISO had an extremely simple standard that has been dropped and they are looking at the work done by a number of other organizations and individuals, providing a platform for discussions among the other groups. (CEN and ISO cooperate to avoid duplication of effort and to avoid contradictory standards.) An ISO Workshop on address standards that included representative from many different groups took place 25 May 2008. The presentations and papers from that meeting provide a more thorough review of this work and are available online at www.isotc211.org/address/Copenhagen_Address_Workshop/workshop.htm.

The Universal Postal Union (UPU) has developed a standard, S42, more oriented toward postal addressing but not limited entirely to postal addresses. It includes address element definitions, templates for those elements into the addresses used in different countries, and rendition instructions. A draft proposal, P14, designed for XML transmission of name and address data as a companion to the address standard has been submitted and is being considered. The UPU work has involved the local postal authorities in many countries and definitions of some national address templates using standard terminology are complete. As these are completed, a master file of all possible permutations of an address will be compiled. CEN has been working with the UPU on this project and joint efforts with ISO and the UPU are in early stages.

Real impacts from these efforts

Although that goal is still many years distant, there have been some practical changes in addresses as a result of this work. Some developing countries have looked at the standards and realized that these might define an approach for future development. It has already resulted in a few countries standardizing their addresses. As a consequence, lengthy, descriptive addresses are becoming rarer. The U.S. state abbreviations are now two upper-case letters in all cases, from a wider variety of 2 to 4 letter abbreviations. Canadian province designators are also two upper-case letters. New Zealand standardized their postal code to a consistent 4 digits for all purposes. Postal codes have eliminated the need for a “province” element in a number of countries.

Progress made and the dialogue continues

While each of the individual standards has its limits, the broader continuing discussion about name-and-address standards has already provided some benefits to the international business community. The various discussions have made the need for common definitions and terms clearer, making it easier to exchange information about addresses without first defining each term in use. The

difference from country to country in postal addresses in particular have become better known and defined, making it easier to get an address correct in other countries and facilitating one's mail at lower cost. Along with the definitions of telephone, email and geolocation addresses, significant progress has occurred and is continuing.

Merry Law, president of WorldVu LLC, oversees their publications and international marketing programs. Merry is editor of the Guide to Worldwide Postal-Code and Address Formats and has many years's experience helping clients deal with international postal systems and addresses. She can be contacted directly at +1 410-422-5223 or mlaw@worldvu.com.

VI. Short Takes: Advice from all over.

Make Unsubscribe a Positive Good-bye. Return Path, an e-mail management and marketing expert released a report on their experience of opt-outing of e-mails from 46 companies, and makes some very relevant and cogent recommendations. For example, as the title says, try to keep the subscriber experience positive even as they may be saying good-bye. For example, why not give them alternatives to total opt-out? How about seasonal or subject matter or periodic selections? Also, why not learn a little bit about their reasons for leaving? Too much mail, changing address, rather not say? If they're just overburdened, offering choices might keep them engaged. While we doubt many people bother to tell merchants of a change of email address, the act of offering that option puts you in a whole new "customer-responsive" light and is brand-enhancing. And since you are a marketer, don't treat the opt-out landing page any differently than any other page. This isn't a technical transaction but a "farewell". Remind the customer of all the wonderful things they'll be missing. To download the report, go to: <http://www.returnpath.net/landing/unsubscribestudy/>

Last Call (and E-mail) for the Netherlands. Netherlands has adopted legislation effective July 1, 2009 establishing a governmental 'do-not-call-register' starting 1st July 2009. Also, starting on the same date, b2b e-mail promotion can only be conducted on an opt-in basis.

Friend-get-a-friend: Netherlands clarified; Spain under threat. "Italy Impossible"

In the Netherlands, the Data Protection Authority (DPA) has ruled that on-line friend-get-a-friend (FGF) campaigns are not permissible unless the sponsor satisfies four conditions: (1) maintain strict security of the data collected; (2) only make one solicitation to the "friends" whose data is donated to the company; (3) display to the friend providing the information a copy of the message to be transmitted to the contacts they provide, and; (4) the company is prohibited from "buying" these names by offering a reward or a chance to win a reward for providing the name and address. In short, you can't offer a discount or compensation of any sort to attract referrals. (Alexander Singewald, Lucerna Juris, Amsterdam)

In Spain, the DPA imposed a fine on a company called Iniciativas Virtuales for launching viral marketing campaigns through its website. They held that the friend-get-a-friend tool on its website,

which generated commercial offers to the friend who was referred, violated the privacy law in Spain. Also, the marketing strategy violated the requirements of the electronic communications law requiring affirmative opt-in by an addressee of a commercial communication, the friend. It appears that this particular campaign was not extraordinarily successful. The case noted that they had only sent one e-mail, so they were only fined Euros 600. (Carlos Perez Sanz, Lucerna Juris/Landwell, Madrid)

In Italy, since the Garante (data protection authority) has basically said no personal information can be used for commercial communication purposes without express consent of the consumer, FGF campaigns are out of the question.

VII. Environment and International.

[As citizens, we can easily become cynical and pessimistic about the activities of our senior governmental officials, and their effectiveness in “showcase events”. The following information, taken from a press release of the US State Department on December 4, 2008 informs us of very concrete results of the fifth Cabinet-level meeting of the Strategic Economic Dialogue (SED), which consisted of 15 U.S. Cabinet officials and agency heads, including Treasury Secretary Paulson and China's Vice Premier Wang Qishan and a delegation of 21 Chinese ministers and agency heads. These projects introduce us to the new emerging concept of “public-private partnerships” which will soon begin to play a major role in the postal world, as they do now in infrastructure. Editor]

EcoPartnerships

On December 4, the United States and China signed an EcoPartnership Framework that describes the scope and establishes objectives for EcoPartnerships. EcoPartnerships are voluntary, cooperative efforts between U.S. and Chinese entities. They include local, state or provincial government-to-government partnerships, and partnerships among businesses, universities and non-profits, where ideas can be tested in targeted areas before broad introduction. Through voluntary cooperative partnerships, EcoPartnerships will demonstrate new models for sustainable economic growth and advance energy security, economic sustainability and environmental sustainability.

The US and China welcomed the creation of seven EcoPartnerships:

- *Denver, Colorado / Ford Motor Company and the City of Chongqing / Chang'an Motors:* Focused on implementation of electric and plug-in hybrid vehicles, this partnership has the potential to significantly advance the global development of electric and plug-in hybrid vehicles.
- *Greensburg, Kansas and Mianzhu City, Sichuan:* Greensburg, Kansas was 95 percent destroyed by a tornado in May 2007 and made a commitment to sustainable redevelopment. Mianzhu City was one of the most heavily devastated areas in the May 2008 earthquake in Sichuan province. The

EcoPartnership represents an opportunity to demonstrate new models for comprehensive, eco-friendly sustainable development and is focused on economic revitalization in rural America and China.

- *Energy Future Holdings Corp. (U.S.) and China Huadian Corporation (China):* Both companies are pursuing the development of sustainable business models for "clean energy" in the United States and China, particularly in the area of clean coal.
- *Tulane University (Louisiana) and East China Normal University (Shanghai):* The two universities will work together to develop a global model for the sustainability of coastal cities, focused on restoration, conservation and enhancement of environmentally sensitive wetland areas.
- *Port of Seattle (Washington) and Dalian Port Corporation (Liaoning):* The partnership between two of the world's largest sea ports aims to develop a

global model for energy efficient and environmentally sustainable ports.

- *Wichita, Kansas and Wuxi City, Jiangsu Province:* The partnership is focused on demonstration and implementation of advanced technological solutions for clean air and clean water.
- *Floating Windfarms Corporation (U.S.) and Tangshan Caofeidian New Development Area, Hebei (China):* Floating Windfarms Corporation is developing clean energy technologies for the Tangshan Caofeidian New Development Area, focusing on offshore wind farm technology.

Each of these EcoPartnerships will last a minimum of two years, and will report progress on their initiatives at future meetings of the SED. Additional information about EcoPartnerships can be found online at www.EcoPartnerships.gov.

VIII. Masterpieces of Marketing

Each month, we set out to bring you the details of an international marketing award winner as a case study meriting deeper consideration. These are, after all, the "best of the best" from around the world.

From Argentina comes BANCO PRIVADO GOLD CARD. This campaign won every award that can be won: gold Amauta, and trophies in Cannes, Echo, and Caples.

This bank has only 2 branches and its tactic is to attract other banks' best customers through direct mail. It gives no interest credit card financing for 90 days and the other usual line of consumer banking services. The agency challenged itself to test the old axiom that success is 60% list, 30% premium and 10% creative by mailing 4 different packages to four different test panels of 1,000 each.

Of the four packages, three had different premiums, and one had no premium but an expensive package. We are not showing “Twins” with a premium of dinner for two or “Cherries” with a card that could be activated immediately and dinner for two.



On the left “Trip to New York Sweeps” with a card that could be activated carried a sweeps premium of an all-expense paid trip to New York City. On the right “Mattress no premium” with a card that when activated gave an instant credit line had accompanying copy about using that cash “under the mattress”, speaking very much both memories of Grandfather’s savings’ habit, and today’s predilection to do the same. In fact, Argentines aren’t big fans of saving in banks, since the banks are so frequently victims of a rapacious government that also seems oblivious to the impact of uncontrolled inflation. The winner was Mattress with 160% higher conversion rate over the second best-Trip to New York sweeps, and a 40% lower acquisition cost. CP Proximity Buenos Aires.

IX. Welcome to the Year of Ox

Year 4706 of the Chinese calendar began on February 26. The Year of the Ox is the second year of the 12-year cycle of the Chinese Zodiac, following the Year of the Rat.. People born in the year of the Ox are reputed to be patient, and speak little. They are often considered to be eloquent. This quality inspires confidence, although the downside apparently is that Oxen tend to be quick to anger, and can be bigoted and eccentric. They are supremely loyal, incredibly hard-working and because of their abilities and qualities make renowned leaders. They hate to fail and can be very, very stubborn. The new President of the United States, Barack Obama, is an Ox. So was Napoleon Bonaparte, as well as Johan Sebastian Bach. Since Bach had some 12 children, his patience apparently is not in doubt, and this number of progeny and his musical output indeed show his determined

capacity for work, as well as that of Mrs. Bach. Also born in the year of Ox are George Clooney, Vincent Van Gogh, Walt Disney and Richard Nixon. The last Ox years were 1913, 1925, 1937, 1949, 1961, 1973, 1985, and 1997.

X. International Calendar of Events

Triangle World Mail & Express Latin Americas Conference & Exhibition

When: February 24 and 25, 2009

Where: Miami Hilton, Miami, Florida, USA

Contact: <http://www.triangle.eu.com/conferences/worldexpressamericas/>

Now in its 6th consecutive year, this event returns to the United States after two years in Brazil and Mexico. The Latin flavor is maintained as the venue is Miami, a hub for the entire region.

The last conference in Puerto Vallarta was the largest yet in the Americas with over 200 of the top mail and express executives from across North, Central & South America. A large European contingent represented over 10 countries from the continent while other delegates came from as far as Malaysia, Kenya & Saudi Arabia.

At this conference, your Editor will address the conference on “The UPU’s Agenda for the Coming Four Years”. He will also lead a workshop on what Posts are doing in address and change of address system development and how these can be integrated globally.

March 24, 2009 – **IDI Marketers Forum - International, Direct and Interactive**. This one-day event is intended to be a New York replacement for the deceased IDMF of London. It is not an exhibition but a quality conference and unique networking opportunity. Organized by DMI Events – a partnership between DMI magazine and the international marketing consultancy 1 Stop Data, the line-up of experts includes representatives from Business Week, Nikkei BP, USPS, Pitney Bowes, Zinio, DHL and more. Venue: American Conference Center, 780 Third Avenue, NYC. Registration/continental breakfast is 8am-9am. Program closes with cocktail reception 5:30 to 6:30. For the program and to register: www.dmi-events.com.

May 6 and 7, 2009 – **NextMarketing 2009**. This will be the second year for FECEMD’s new major conference on marketing. In Barcelona, Spain. Year one (2008) was well-received, and this year’s event promises to be even better. Please mention *The Prescott Report* when you register. When you are there, look for the Editor, who will be attending. For further information:
<http://www.nextmarketing.es/>

June 22-25, 2009 – **International Senior Management Marketing Programme in Direct, Interactive & Relationship Marketing**. Held on the campus of ISEC, one of Spain’s foremost business schools, on the outskirts of beautiful Madrid, Spain. Students stay in a first class hotel in Downtown Madrid. This intensive and entertaining programme organized by ICEMD and FEDMA brings experienced senior marketers from major companies together for 3 full days of presentations, interaction, and project work. This is a major learning experience combined with an opportunity to establish relationships with colleagues from all over the world in formal and informal settings. For more information, visit the programme website for complete details and to register. Space is very limited and past attendees have been very grateful they attended. Please mention *The Prescott Report* when you register.
<http://www.icemd.com/ismpeNG2009/icemd/home.html>

XI. How to Contribute; Reach the Editor; Subscribe; Unsubscribe

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