More than magazines

Media and marketing company Meredith Corporation enhances business and marketing efforts by integrating its data. by Lisa Campbell

The publishing industry is rapidly changing to meet the needs of tech-savvy audiences, and as a result customer relationships are becoming more important. To stay on the leading edge of its industry and improve its customer relationships, Meredith Corporation, the Des Moines, Iowa-based publishing giant, turned to Teradata Corporation.

Although Meredith is best known as a publisher of women-focused magazines including Better Homes and Gardens, Family Circle, Parents and Ladies’ Home Journal, the company is also the largest Hispanic publisher in the United States and is a leading media and marketing company. Additionally, Meredith owns 13 television stations, has about 400 books in print and enjoys an extensive Internet presence that includes more than 40 Web sites.

A diverse product offering

In late 2001, the company began working with Teradata to build an enterprise data warehouse (EDW). Meredith began leveraging it in 2002, says Craig Gard, the company’s manager of data warehousing and applications and development. All of Meredith’s customer and prospect information is consolidated in a Teradata data warehouse, allowing the business team to have access to virtually all of the company’s customer data.

Meredith selected Teradata mainly because of its scalability. “We knew we were going to be growing and expanding our

Craig Gard, manager of data warehousing and applications and development for Meredith Corporation, says the publishing company is leveraging its Teradata data warehouse as it develops its Web strategy.
database marketing function, so we chose a company that had a solution that could grow with us,” Gard explains.

Meredith’s consumer database, built on a Teradata data warehouse, is at the center of its business and its marketing efforts. The database, which has more than 85 million names, is one of the largest domestic databases among media companies. It includes six out of 10 women in America and eight out of 10 home-owning households. In fact, Meredith can reach two-thirds of American households. This amount of data enables Meredith to understand its subscribers for targeted marketing campaigns.

The strength of the customer database marketing is a result of foresight and hard work. In 2000, Meredith realized the importance of having better access to its customer database so it could segment subscribers and target them more effectively. As a result, the company decided to take the database function in-house.

“We decided we wanted to bring the database marketing function in-house because we know our database is a critical part of our business, and we want control of the critical pieces,” Gard shares. “When you use an outside vendor, you basically pay to use your own data, which had limited our ability to understand our customers at the level we were looking for.”

According to Gard, Meredith’s main objective was to leverage the database as well as it could, especially as the company was developing into a database marketing company that works with other companies to integrate its data and provide value-added services.

The relationship factor

Meredith also began using Teradata CRM, Teradata’s data warehouse-driven software portfolio for customer relationship management. The tool is designed for “power marketers”—elite marketing specialists looking for the most powerful desktop software tools, access to granular customer data, more precise control of customer communications and dramatically higher return on customer interaction. Gard says Meredith regularly uses the tool for traditional direct mail campaigns and list rental projects.

In late 2006, Meredith also started to more heavily use Teradata CRM for acquisition, cross-selling and renewals via e-mail for the first time. “We are really going after the e-mail channel,” Gard says. “We actually run campaigns on a weekly basis that touch hundreds of different customer segments.”

What is an example of a segment? “Women who use e-mail and who subscribe to Better Homes and Gardens whose subscription is ending next month,” Gard says. Campaigns to these segments include renewal messages and cross-selling other magazines, to name a few.

Meredith’s goal for the near future is for all of the publications to use e-mail to communicate with their customers or prospects. Gard adds that Meredith is trying to minimize traditional direct mail because of the expense and the fact that communication is “more efficient via e-mail.”

By communicating with customers and prospects via e-mail, Meredith is at the forefront of the publishing industry. “We are ahead of the curve,” Gard says, adding that the company has a mandate to try to fill in a younger demographic group—a group that might be more responsive to the Internet and e-mail marketing.

“Our database [customers] had historically been older—over the age of 40. And we have shifted that to the younger group—age 30 to 40—which is why we recently purchased Parents, Fitness and ReadyMade magazines,” Gard says.

The right offers

In addition to more effective e-mail campaigns, the benefits of a Teradata solution are many. Gard says that since
Instituting Teradata, Meredith’s data has significantly lower data latency.

In fact, with the company’s previous outsourcer, Meredith was dealing with six-week-old data, with occasional delays. Since migrating to Teradata, some of its processes now update daily. Also, Teradata’s data warehouse and CRM functionality enable Meredith to do e-mail predictive model scoring in near real time.

“We have integrated the model deployment into our process, so it is being leveraged in near real time,” Gard says. “Traditional model deployment takes days or weeks. Now, when we want to run it, it takes a couple of hours.”

The models provide the marketers with scores indicating how likely someone will be to respond to a subscription offer, by using hundreds of data points housed in the data warehouse.

“Basically, our modeling says that this person in our database with this e-mail address is most likely to purchase a specific magazine,” Gard says. “Meredith then leverages the CRM application to select customers that fall into our model along with other selection criteria such as product promotion history.”

Gard shares that, in general, Meredith is running its business better, building better predictive models and making better decisions—all of which help the company provide readers with publications and products they want and trust.

The business-to-business component

Beyond giving readers what they want, Meredith has much to offer through database marketing. Advertising customers who choose to take advantage of the database have access to more than 2,000 data points—with an average of 300 points per database record—and Meredith also offers proprietary life stage clusters assigned to each record, from new homeowners to empty nesters. These advertising customers can also use Meredith data to enhance their own customer files and improve response. For example, through the use of list rentals, companies can:

> Leverage Meredith’s brands or consumers to capture data
> Use Meredith profiling in an effort to understand the lifestyles and passions of their customer groups
> Target a universe of responsive prospects using “best in class” statistical methods
> Link targeted consumers to a company’s retail locations or dealers with Meredith’s geo-targeting system

The future

Meredith is transitioning along with the rest of the publishing world as it opens additional distribution channels, such as mobile and online in formats like podcasts and streaming content.

The company currently offers streaming video on its site, and it may publish its magazines online as well. In addition, Meredith’s Video Solutions group develops best-in-class content that can be delivered on any platform.

Teradata can help the company with these efforts, specifically in Web personalization, Gard says. Meredith’s focus on the Web includes making the experience for the visitor as personalized as possible.

The company’s Web sites are built to promote renewals, cross-sells and acquisitions. Cookies allow Meredith to know who certain visitors are and then to try to target them via pop-up ads. “If a customer is on the American Baby site, for example, we may have a pop-up to cross-sell Parents,” Gard explains.

However, Meredith is always trying to improve its capabilities on the sites, and Teradata is positioned to help Meredith with these programs in the future.

“Long term, Meredith will try to personalize its Web sites more and more, and offer more targeted content,” Gard says. “The key to this is people actually signing up and registering on our site. With this customer data, we are able to leverage the Teradata Customer Data Warehouse more effectively.”

By supporting the initiatives of Web personalization, database marketing and e-mail campaigns, the powerful analysis capabilities and strength of the Teradata solution help Meredith understand its subscribers and keep the company positioned on the cutting edge of the changing publishing industry.

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