

BtoB

THE MAGAZINE FOR MARKETING STRATEGISTS

A Crain Communications Inc. publication

RUNNER-UP

Kern Direct's strategy built on data collection

BY CAROL KROL

Bucking the trend among agencies, Los Angeles-based b-to-b shop Kern Direct expects a small increase (5%) in direct marketing revenues this year over the \$15 million it tallied in 2002. Showing such improvement amid the continuing economic slump helped earn Kern Direct runner-up honors in *BtoB's* **selection of Direct Agency of the Year**.

"We were fortunate to weather the recession," said Russell Kern, chairman-CEO of Kern Direct. "We're not going to be talking about banner growth [in 2003]." However, he is bullish about 2004, saying, "I'm expect-

ing growth easily in the 15% to 20% range."

Kern attributes the agency's success to its dual emphasis on databases and strategy. "We're expert at collecting data, helping clients evaluate sales data and figuring out what to send to the sales channel," he said.

The company developed an acquisition campaign for Hitachi Data Systems that launched in September and included direct mail, e-mail, telemarketing and online. The core of its strategy was capturing data at campaign-specific microsites designed to move prospects along the sales cycle. Early campaign results look good, Kern said.

In-house technology

Kern Direct uses an in-house application, built on Microsoft Corp.'s .NET architecture, to capture, score and route data efficiently. Testing and measurement are always aligned with marketers' budgets and sales goals, Kern said, adding he doesn't "risk the clients' money."

"It's not Hollywood, and it's not smoke and mirrors," Kern said. "The big brand agencies waste millions of clients' marketing dollars, and I think direct marketing continues to be a stepchild of brand, but who cares? We're powerful in terms of the dollars invested." □