

# The Power of Personalization

by Laura Bogomolny

**By taking a micro-targeted approach, Heritage Education Funds increases the response rate of their most recent direct marketing campaign by a whopping 163%  
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Heritage Education Funds, one of Canada's largest providers of Registered Education Savings Plans with nearly \$1 billion in assets, is touting highly customized direct mail as a marketing breakthrough. By replacing the standard flyers it had traditionally used in its annual direct mail campaign with highly personalized brochures, Heritage upped the campaign's response rate by 163%. "By compelling so many of our clients to increase their monthly contributions, the value of the [flyer] is 400 times greater than our traditional marketing piece," says Jason Maguire, executive VP Marketing at Heritage.

The personalized brochures are created using data from existing clients. That means the flyers are extremely — spookily — precise. For example, the direct mail piece sent to a client with, say, a five-year-old daughter enrolled in an RESP, features a photo of a five-year-old girl. As well, the text reflects the gender and number of children — whether male, female or plural — and graphs clearly depict the present and future value of each child's RESP, reflecting various contribution levels. Finally, the letter is signed by the client's local Heritage agent.

The campaign paid off for Heritage, who attribute a 76% increase in the number of RESP units sold to the direct mail initiative, and intend to use customized brochures in future campaigns. But encouraging folks to save for their children's education is one thing. Scaring parents into topping up their RESP contributions to the maximum allowable amount is another. Heritage's revamped campaign comes on the heels of a July 2004 Ontario Securities Commission crackdown on scholarship trust marketers — including Heritage. In it, the OSC condemned promoters for permitting deceitful, high-pressure sales practices, and unsuitable sales to low-income parents.

Heritage addressed the OSC's concerns, and, as of March of this year, the company was no longer required to submit monthly progress reports to the regulator. OSC spokesperson Eric Pelletier won't comment on the personalized marketing campaign specifically, but indicates the regulator isn't bothered by the data-driven one-to-one marketing campaign. In fact, it appears Heritage may be just the first in a long line of corporations discovering the power of personalization. "I think that is where you're going to see every company go," says Maguire. "I know financial institutions are heading this way. I just got something from CIBC yesterday which was personalized. I think personalization is the future."

Maguire is probably right. New software and state-of-the-art equipment from companies like Xerox make customization cheaper and easier than ever before. But marketers have to be careful with this powerful new tool. While most folks like being catered to, nobody wants their privacy invaded.