**A2 Business Studies: Market Analysis and Technology**

**Case Study: PDSA and Technology**

PDSA has a small direct marketing team who manage the wide range of products and campaigns run to increase funding. Despite having an excellent IT support department, the direct marketing department was unable to get the information it needed to define and drive campaigns in the timescales required. The IT team started a major project to build a new marketing database system, but Direct Marketing needed a way to reach marketing information themselves.

FatStats and Cascade were chosen by PDSA Direct Marketing to deliver the analysis, counts and selections needed to plan and deliver effective direct mail campaigns. All four million supporter records, 15 million transaction records and 60 million items of mailing history have been loaded in FastStats to deliver 50 or more campaigns a year. These campaigns range from small tactical mailings of a few thousand people, to major monthly lottery mailings of up to one million people.

FastStats is a strategic part of the new marketing database development which refreshes weekly data including full postal address details, allowing Fast Stats to drive the campaign production process.

PDSA makes extensive use of effectiveness testing by key-coding all segments of all mailing campaigns. Testing includes both the database selections and the creative element of each campaign and ensures an optimised return. Telemarketing is used to follow up mailings and improve the response rates to very high levels by most marketing campaign standards.

**Tesco & Direct Marketing Using ICT**

**Tesco stocks up on inside knowledge of shoppers' lives**

Tesco is quietly building a profile of you, along with every individual in the country - a map of personality, travel habits, shopping preferences and even how charitable and eco-friendly you are. A subsidiary of the supermarket chain has set up a database, called Crucible, that is collating detailed information on every household in the UK, whether they choose to shop at the retailer or not.

The company refuses to reveal the information it holds, yet Tesco is selling access to this database to other big consumer groups, such as Sky, Orange and Gillette. "It contains details of every consumer in the UK at their home address across a range of demographic, socio-economic and lifestyle characteristics," says the marketing blurb of dunnhumby, the Tesco subsidiary in question. It has "added intelligent profiling and targeting" to its data through a software system called Zodiac. This profiling can rank your enthusiasm for promotions, your brand loyalty, whether you are a "creature of habit" and when you prefer to shop.

How does Tesco get the information? Clubcard is used to target promotions at particular cardholders. But Crucible is separate and Tesco insists that while loyalty scheme data is used by Crucible it does so anonymously rather than a house-by-house, name-by-name basis.

Mr Humby and Edwina Dunn founded dunnhumby. The two have a reputation as shrewd operators in the marketing industry and still own shares in the firm alongside Tesco's majority stake. How the supermarket group and other customers use the data is less clear. One former employee involved in the company's marketing told the Guardian that it can be used to decide how to target offers to individuals or where to open new stores.

A Tesco spokesman said last night: "All work carried out by dunnhumby is regulated by the Data Protection Act and the Direct Marketing Association Code of Practice." But, as the supermarket unveils yet another set of sparkling half-year figures today, one thing is clear: while past success may have been built on the company knowing its customers, Tesco plans to secure its future by knowing everyone else's customers as well!