

Outside Perspective

Justin Basini, European head of brand marketing for Capital One, talks to Noelle McElhatton about the brand, the US, and the credit crunch.



One of the things we do track is our perception of being a junk mailer – we see a certain percentage of consumers still have that view of Capital One. That will change over time – changing [perceptions] is a relatively long-term thing.

Challenge number three is continuing to ensure we understand the consumer better than anybody else in the market – that's what powers our brand strategy, our product strategy. We need to continue to ensure we are the forefront of consumer understanding and how our consumers are consuming our products, what they need from the market and how we can provide that.

NM: You've said that you want to reduce the volume of direct mail Capital One generates. Is that because of declining ROI or is it an issue of being seen as a carpet bomber?

JB: There's a tension between what is effective and what you want your brand to stand for. For many consumer segments, high-volume direct mail might not be the right approach to building a brand and getting those people as customers. Clearly for other segments the ROI is still there and below-the-line type media are still effective.

NM: Your channel mix is altering significantly. What's the emphasis going to be on [going forward]?

JB: Campaign-based integration. As we plan campaigns we look at a range of things – the product we're launching, the consumer we're launching to, the media they might consume and the historical results on response – and we build a campaign plan around that.

Certain products might be marketed more on TV or broadcast; With our zero-percent products, it may continue to be below the line. We'll take a much more consumer-based campaign view rather than just optimizing on each channel. ■

Noelle McElhatton is editor of sister Haymarket title Marketing Direct

Basini heads up marketing in Europe for the US-based financial services giant

NOELLE MCELHATTON: What do you learn from the US when you go over there? Have you ever come back thinking, I wish we were doing that here?

JUSTIN BASINI: Frequently. The main thing I've learnt from the US is how you can create a major brand in the market – Capital One has gone from a standing start to one of the most major brands in the US in a very short space of time and we need to replicate that over in the UK.

One of the things we see as being very important to our future is ensuring we have a brand that people like, that people engage with, and that stands for something in the market. So when we plan campaigns we think how we can build brand and get response, and integrate those two things together. We've done that very successfully in the US.

The second thing I pull out from the US is that its marketing model is hugely powerful. It continues to innovate ... in order to get adequate response rates through a wide variety of channels. Capital One is one

of the best at really understanding consumer trends within the marketing landscape. A lot of money, time and effort go in to very large consumer panels to understand how consumers are responding to marketing in general, and how our marketing stacks up against the competition. That's a rich resource. We do some research [in the UK] but the US panels are extremely sophisticated.

NM: Looking at the headlines about rising consumer debt, do you think that direct marketing is culpable in encouraging consumer debt, or is it just the messenger?

JB: It's clearly not the marketing. [Capital One is] a very responsible lender. If you look at our average credit limit, it's much lower than those of most [retail] banks on average. Our core competence as a company is being able to predict who you can lend money to more safely than some of the other competitors out there. We spend a lot of time and effort modeling and understanding how consumers will

react to offers of credit that we give them and how they will use those, responsibly or not.

I don't think marketing per se has a responsibility to ensure that people who can't manage credit don't get it. [That small number] of consumers who find it difficult to manage credit will get it anywhere.

The important thing to make sure that when people apply, we spend a huge amount of time understanding how you can lend money to those people in a responsible manner.

NM: What are some of your biggest challenges?

JB: One [challenge for Capital One UK] is product innovation. Capital One has a history of innovation – we were one of the first companies to pioneer the zero-percent [interest] offer. We're starting to move into other segments, other customer propositions that need to continue to be innovative. A great example is our [recent] Rewards launch – a very clear value proposition for the customer backed up with a very strong marketing campaign.

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