THE RISE OF RESPONSE ANALYSIS: MAKING DIRECT MAIL AND EMAIL WORK

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THE WORLD OF VIKING CRUISES
AGENDA

• Background on Viking Cruises
• Challenges
• Solution
• Campaign
• Results
CHALLENGES
CHALLENGES

WHO ARE CANADIANS?
CHALLENGES

PREVIOUS “SPRAY AND PRAY” APPROACH
THE SOLUTION
SOLUTION

UNDERSTANDING THE CANADIAN MARKET
## Solution

### Describing Viking Cruises’ Target Market

![Viking Cruises Banner]

<table>
<thead>
<tr>
<th>Profile</th>
<th>Updated Active Traveler Hits</th>
<th>Previous Active Traveler Hits</th>
<th>Active Traveler Hits with a trip booked after March 31 2013</th>
<th>New Active Traveler Hits</th>
<th>Returning Active Traveler Hits</th>
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<tbody>
<tr>
<td></td>
<td>English Canada Hits</td>
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<td>% Perm</td>
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<td><strong>Active Traveler Target Groups</strong></td>
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<tr>
<td>U9</td>
<td>F3</td>
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VIKING CRUISES' CUSTOM SEGMENTATION

- Established Urbanites
- Current Passenger Middle-Aged Couples
- Mature Suburbanites

Viking Cruises Custom Segments

- Past passengers
- Have a dog
- Cruise length
- Few young kids
- Took a cruise
- Travel to Europe
- Travel to Asia
- Travel with kids
- Net cruise revenue

Net cruise revenue

Net cruise revenue

Net cruise revenue

Net cruise revenue
SOLUTION
TARGETED MARKETING
TESTING AND LEARNING
TESTING AND LEARNING
REVISIT SEGMENTS

Validation of 2014 Segments
Response Analysis:

- Frequency
- Recency
- Channel
- Contact type: Prospect, Inquiry, Past Passenger
- Target segment
HHs sent less emails consistently show a better response rate.
HHs sent *more* mail consistently show a better response rate.
Inquiries grew to 40% of email responses

Similar pattern with mail contacts – Inquiries grew to 30% of responses
TESTING AND LEARNING

RESPONSE ANALYSIS: TARGET VS. NON-TARGET

Target Segments

Non-Target

% of HHs

Unique HHs
Resp

57% 43%
70% 30%
TESTING AND LEARNING
RESPONSE ANALYSIS: RESULTS

• Following a significant increase in emails sent, response rates also increased significantly
  – Targeting? Canadian pricing? CASL?

• Higher contact frequency by mail has positive influence on response; opposite is true for email

• Inquirer responders have increased

• Non-Target group is least affected by Viking Cruises’ marketing messages
CONCLUSIONS AND NEXT STEPS
CONCLUSIONS

• Higher spending among active travellers
• Marketing is effective in Canada, especially since engaging with EA
  – River Cruises saw a 60% YOY growth the first year, followed by 38% the next
  – Ocean Cruises is still experiencing double-digit growth
NEXT STEPS

- Incorporate Ocean Cruises into the alignment
- Incorporate PRIZM5 data
- Response analysis refresh (now that CASL is in effect)
- Differentiated messaging
THANK YOU. QUESTIONS?
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