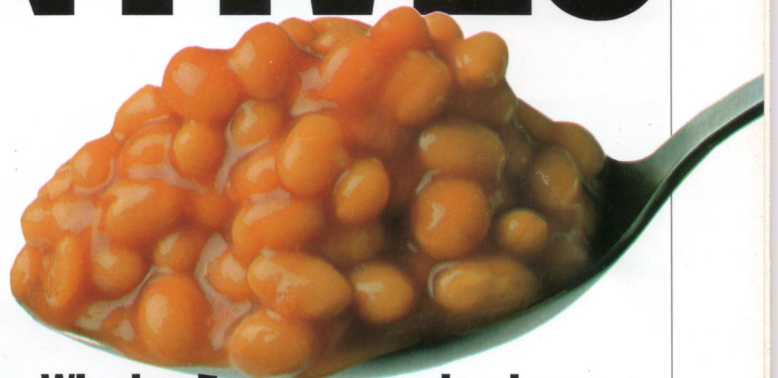
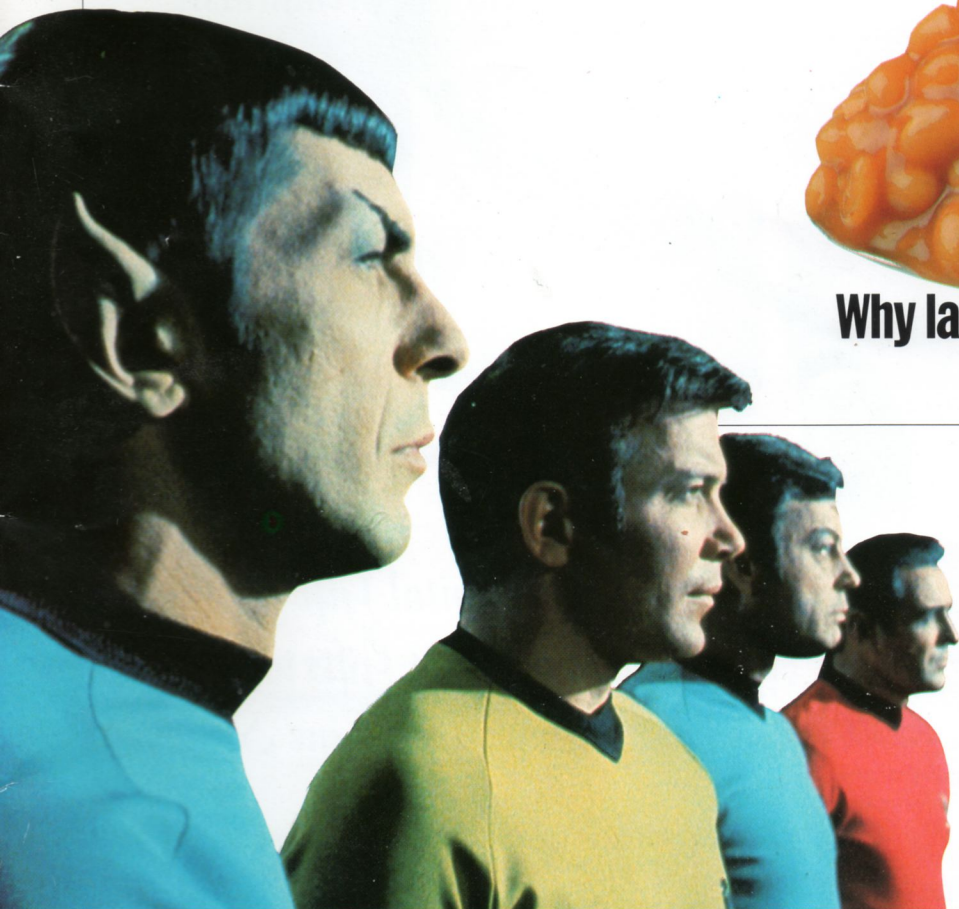


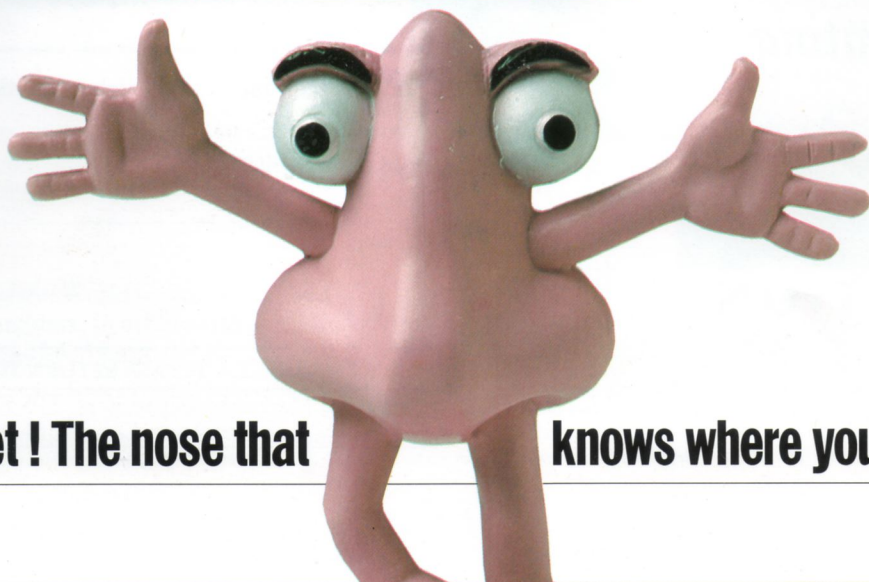
PROMOTIONS & INCENTIVES



Why Ian Fryer meanz business



**Will Shell's
intergalactic
experiment
pay off?**



Zaniest yet ! The nose that

knows where your specs are!

PROMOTIONS & INCENTIVES

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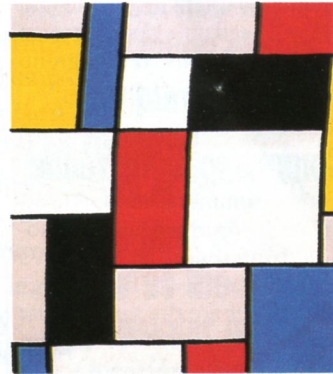
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The Next Generation: implausibly cool space suits for the new generation trekkies

Hang on! I've got

...said Don Marketing when the agency sold Shell its idea for the Star Trek promotion, neatly persuading

"Promotions run in a cyclic mode. With our catalogue scheme we had reached the end of the cycle and run into stalemate," says Alan McNab, national promotions manager at Shell UK.

Hence, faced with a moribund market, Shell decided to change tack and launch its Star Trek game.

Collect and select schemes, points equal prizes, have long been stalwart forecourt promotions among the leading petrol companies. The familiar catalogues from which consumers choose different items when they have collected a certain number of points are almost synonymous with buying petrol.

Of course Shell has run promotional games in the past. These have included 'Mastermind', 'Bruce's Lucky Deal' and, probably the most famous of them all, the 'Make Money' game, which its

creator Don Marketing claimed boosted Shell's sales by 30%. But these games did not represent a real departure from the long-term loyalty schemes.

Star Trek was different. McNab says it was a vehicle to take Shell away from a period of stagnation and adhering to promotional norms into "a new world of promotions". But this wasn't just a whim. Shell had concrete reasons for believing it was time for a change.

Early in 1988, Shell's then promotional games agency, Don Marketing, carried out research which indicated that although the majority of motorists (51%) favoured collection schemes with a reward, a proportion preferred games because of the thrill of the instant win. Shell also felt that it was locked into a line of promotion it couldn't vary.

According to Don Marketing's

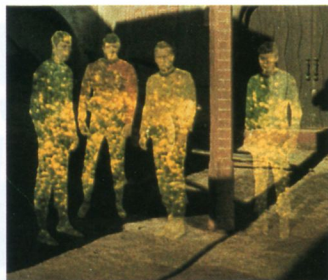
managing director John Donovan, "It wanted to be flexible and topical where others were not." McNab also saw it as a problem of sheer dullness: "It was time to inject a bit of excitement back into a stale marketplace."

Don Marketing presented its findings to Shell with the recommendation that they carry out their own research. Donovan says: "We're not a market researcher. We're about promotional games so we're bound to be a bit biased."

Shell commissioned its own research and came to similar conclusions. From 1988 until January this year, Shell began winding down Collect and Select and started to work out its brief for the Big Idea which would carry it into the new world of promotions. Its complete change of tack was finally made in the spring of 1990.



Flashback: the promotion revived interest in the early Star Trek series



Energize: Scotty at the controls



Spock: the master of logic



Star Sports: Shell licensees donned space suits to promote the game

a new idea...

the oil giant to abandon its catalogue scheme promotions. Case study by Anne-Marie Crawford

Don Marketing and a number of other agencies pitched. Although Don has supplied Shell with all its major promotional games for ten years, the agency is not on a retainer and is expected to jostle for new work with its rivals. A small agency with a small team, Don Marketing works exclusively in promotional games, but it holds its own against more broad-based consultancies.

At this early stage, a number of schemes were bandied about and one idea – not Don Marketing's – emerged as an outright winner. It was researched by Shell, then tossed back into the pot with other ideas. It still came out on top.

Shell was all set to run with this mystery project when at the last minute licensing problems with a third party arose and plans had to be dropped.

Shell was left with a major problem. It

had deliberately steered itself off the Collect and Select course and now it was now stuck without an alternative plan. Don Marketing moved swiftly.

The Idea

Star Trek was Donovan's idea. It came as he was driving home one evening.

"I heard on the radio that the BBC had negotiated some deal with Paramount and was launching the new series of Star Trek. It also had plans to re-release the old 1979 series," Donovan says. His plan was to use the Star Trek theme as the basis of a promotional scratchcard game.

A number of other factors ensured that the idea took root. It was timely, which Shell wanted. Star Trek's 25th anniversary was approaching and there was a flurry of renewed interest in the

series. Sky TV had plans to run the very first series in an early evening slot and CIC Video announced that it was licensed to distribute videos of Star Trek and Star Trek: The Next Generation.

Star Trek seemed to have universal appeal (the BBC thought it was worth paying \$6m for its package). And as McNab was to say later, "Star Trek embodies a lot of Shell's own values." Donovan felt he was on a winner.

Early problems and solutions

Shell was not immediately told about Don Marketing's Big Idea. The agency still had a lot of ground to cover and it was too early to say whether the scheme could actually work.

The first and potentially most damaging aspect to consider was the likelihood of a lengthy licensing ➤ 16

15+ wrangle which, because of the time factor, could have thrown everything out of whack.

In July 1990, Donovan telephoned Ten Marketing, Paramount's UK licensing agent. Within 24 hours a deal was agreed in principle. The basic tenets never changed.

"Ten Marketing's director of international licensing, Jonathan Zilli, was in London at the time and this definitely speeded things up," says Donovan.

Games are what Don Marketing do best and once it had the licensing go-ahead, it was fairly straightforward for the agency to sit down and think about the game mechanics.

On 13 July 1990, although there were still a host of attendant details to be worked through, Donovan was able to present his basic Star Trek idea to Shell in reasonably final form.

Shell was impressed. Stuart Carson, then Shell's national promotions coordinator and McNab's predecessor, set events in motion. Shell agreed a budget of £4.5m to include prizes, advertising, security, printing costs, distribution and fulfilment – each potential headache in their own right.

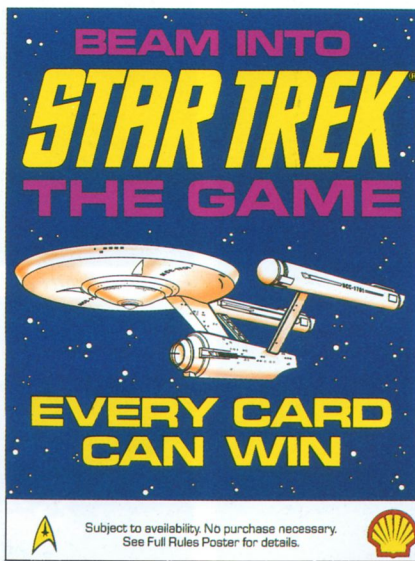
Shell was happy with the basic game mechanic which Don Marketing devised. Quite simply it was a scratchcard device featuring faces from the old Star Trek series: scratch off so many characters and win a cash prize. The promotion was to be offered to each of Shell's 2,700 forecourts with a no-purchase-necessary element. In the event, 2,150 accepted.

Once Don Marketing got the okay from Shell, it took on extra staff, rolled up its sleeves and got down to work. At the height of the promotion, the agency had 15 people working on Star Trek. It wrote the rules, advised on legality, worked out game insurance with Lloyds and decided on the prizes.

These prizes fell into denominations of a £250 000 shareout for uncovering seven Captain Kirks, through £1000, £100 and £5 handouts right down to 50p for four or more Lieutenant Uhuras.

The £5 and 50p wins had to be submitted promptly for verification and redemption at the station where the game card was obtained. Other claims were addressed directly to Don Marketing's offices in Stowmarket Suffolk.

In addition to the thrill of the instant win, the Star Trek game also combined a collect element, with the chance to



Poster art: Shell retailers plugged the game

Star Trek: the timetable

- 12 July 1990** Don Marketing clinches licensing deal
- 13 July 1990** Don Marketing presents its idea to Shell
- Summer 1990** Shell accepts: total budget £4.5m
- Summer 1990** 2,150 Shell retailers accept Star Trek
- August 1990** Gulf crisis puts printing plans on hold
- 14 December 1990** Norton and Wright get the go-ahead
- 11 March 1991** Star Trek is launched

win a holiday in California as the incentive. At the bottom of each card was a tear-off strip with one scratch-off portion. Beneath this portion was hidden a character from the new Star Trek series. Collect six and win the holiday. McNab points out, "The Star Trek game combined a repeat purchase element." To control the number of winners, Don Marketing seeded one particular new character, Riker, in only intermittently. Consumers kept scratching away in the hope of the trip to Los Angeles.

Everything appeared fairly straightforward except for one thing: Shell insisted on an every-card-can-win game.

An every-card-can-win game throws up a security nightmare. Donovan explains: "It's to do with the problem of an open-ended prize fund liability. I've heard of cases in the States where everyone has ended up winning. Also, one of the first noughts and crosses games run by Esso had to be cancelled on the second day because it produced 20 valid claims for £100 000." The legal actions resulting from the Esso case are still dragging on five years later. Nevertheless, Don Marketing was prepared to take this on board and face legal problems if and when they arose.

Events progress

A key security element was the printer. Don Marketing chose Norton and Wright, part of the Bowater group, because they had worked with them in the past and were impressed.

Ray Henderson, UK sales director at Norton and Wright, says, "Our speciality is game cards and lottery tickets. We actually brought the scratchcard process to Britain in 1976." Norton and Wright persuaded Alan Roman, Shell's print manager, to print their game cards on foil-coated board, developed for overseas markets, which cannot be seen through, even with an X-ray.

Another factor which demanded attention was the game card variables. A scratchcard promotion like Star Trek, generates several thousand combinations of characters. Don Marketing had to ensure that, because every card had a winning combination, there was no chance of anyone working out the combinations and winning every time. Once again, the printers played a major role in making sure this didn't happen.

The agency sent its gamecard variables on computer disk to Norton and Wright, where everything was verified. Henderson explains, "We have computerised programmes to check all that. We vetted all the work." Just to make sure, Don Marketing checked the films manually before millions were printed.

To keep things absolutely watertight, Don Marketing sent a senior member of its team down to the printing plant to seed the prizes, which ensured there was a spread throughout the country. "We wanted to ensure that only one individual knew which boxes contained the major prizes. Because of this process, we could insure against too many winners," says Donovan. As a final security measure, each prize-winning card had a unique code printed under the "void if removed" panel.

By August 1990, the final checks were done and Star Trek was on the press ready for printing, but the Gulf situation worsened and Shell froze its plans.

In September 1990, Carson left Shell. In the interim his role was filled by Mark Foster, marketing communications manager. Shell took advantage of this breather to carry out further research through Hall Testing. It involved getting consumers to play the game. There were a couple of modifications, but none of the basic tenets was altered.

Around November of 1990, McNab

CASE STUDY: SHELL

took over as national promotions manager, retail, at Shell. After four months of inactivity, Shell finally decided to press ahead with launch plans for Star Trek. On 14 December 1990, Norton and Wright got the order to print ready for 11 March 1991. Collect and Select was closed on 14 January 1991 and Shell stopped issuing points on 10 March. Norton and Wright made its first delivery on 13 and 14 January 1991.

McNab is unwilling to reveal exactly how many cards were printed, although he does say it ran to "tens of millions".

Soon after the 11 March launch, the advertising campaign began to roll out. It was confined to press and local radio. Agency Senior King handled the dealer campaign and set up 30 local radio competitions around the promotion.

Don Marketing says there have been over 1000 major prize winners. Although the promotion has been wound up, claims are still trickling in. As a final security measure, Don Marketing has recorded every single claim on video.

Evaluation

Star Trek was scheduled to run for ten weeks, in the event it ran for 12. Shell is currently running an Explore Britain promotion alongside its longer term Air Miles campaign and plans to launch a new promotion on 2 September.

McNab is unforthcoming about Star Trek's impact on sales. "The promotion was very successful as a vehicle to take us through the closure of Collect and Select. What we're doing now is the new world of promotions."

As far as Don Marketing is concerned, Star Trek is the biggest promotional game it has ever produced for Shell UK. It hopes to sell the idea elsewhere.

Shell's competitors think it won't be too long before disillusionment sets in. Sources at BP suggest that Shell will be returning to catalogues at the end of the year. BP claims to have looked closely at the market, but decided to stick with catalogues. It has just relaunched its catalogue to take it more upmarket.

A spokeswoman for Esso says it is happy with its catalogue scheme and has no plans to change. She admits she has heard rumours "outside the company" that Star Trek did not altogether impress. A BP insider says, "Shell has totally misread the market. Catalogues are here to stay." In the cyclical world of promotions, Shell is probably well prepared for such criticism. ➔ 18



Donovan: his brief was to be flexible and topical where other oil companies were not

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Reader Enquiry 6

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Reader Enquiry 7

IN MY VIEW



Crawford

I cover an average of 20,000 to 25,000 a year in my car, so I do get considerable exposure to various petrol promotions. I have to admit, however, that the Shell Star Trek promotion passed me by almost unnoticed, despite the many garages I have visited and litres of petrol bought.

Now that I am slightly more familiar with the Star Trek promotion, I must admit I find the idea of an instant cash prize interesting. Sadly though, I have never been really turned on by Shell promotions, because from past experience they neither ran long enough nor consistently enough for me to get into them. It seemed that no sooner had a new promotion begun and a voucher collection started to clutter my car, than it ended and my diligently collected vouchers were void.

I discussed the Star Trek promotion with a number of colleagues who are also high mileage drivers and they had never heard of it either for two main reasons: one, they had an aversion to any form of petrol promotion at all, preferring cheaper petrol as the ultimate promotion; two, there were simply no Shell garages conveniently located near them.

The promotion which scored highest among us all was a Mobil one involving a card that can be 'charged up' with points each time petrol is bought. This card can then be used at certain retail outlets, such as Argos. The card has the distinct advantage for the driver in that the car does not get clogged up with tokens or vouchers, and an advantage for petrol companies that they do not stock gifts or prizes.

Ian Crawford is a consultant for Mondiale, a telecommunications consultancy.



Harman

TEN Licensing was the catalyst for the Star Trek promotion. We acted as the point of liaison between client, promotions agency, advertising agency and the principals, Paramount.

After surveying the current licensing properties available, Shell decided that the Starship Enterprise was the promotional vehicle best suited to help them achieve their marketing objectives.

Instant recognition and appeal can be achieved through the use of premiums and promotions, and in the hands of an imaginative brand manager of a promotions agency, has tremendous scope for striking an effective creative execution. Star Trek seemed to be just such a creation.

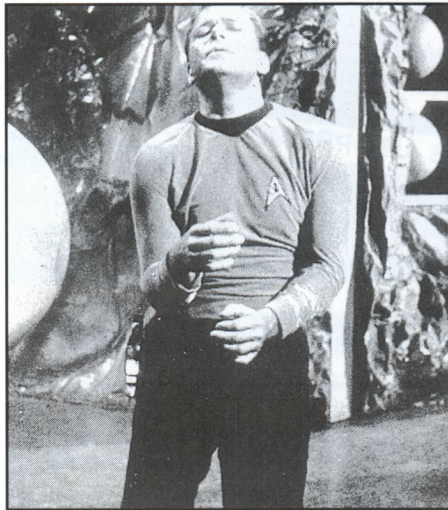
Part of the prizes for the Star Trek scratchcard game was a holiday in California which TEN Licensing packaged. The Star Trek holiday package is a good illustration of how character promotions can be themed and an example of the marketing services the Ten group of companies can offer.

Sarah Harman is joint managing director of TEN Licensing, Paramount's UK licensing agent.

SLEUTH

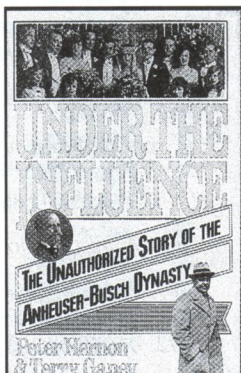
One for the record

We've probably all uttered the immortal words Beam Me Up Scotty, the catchy phrase made so popular when Star Trek first started 25 years ago. You can still spot car stickers which read Beam Me Up Scotty - There's No Intelligent Life Down Here. But in the course of painstaking research for our Star Trek case study this month, we discovered that Captain Kirk NEVER SAID IT (like Humphrey Bogart never told Sam to Play It Again). According to Trekkie experts who gathered recently in LA, Kirk said many variations, but never the exact words.



Under the beery influence of sales promotion, US-style

Giant US beer-maker, Anheuser-Busch Co, didn't get where it is by not being tougher and shrewder than the competition. Which explains why its marketing tactics were worth a special mention in a new book by Peter Hernon and Terry Ganey, *Under the Influence*.



When rival US beer-maker Miller threatened its lead in the 1970s, A-B launched a campaign consisting of 10,000 separate sales promotion programmes that divided the country not only into cities and neighbourhoods, but also into streets and bars. What they call competition in action, and a real-life sales promotion sales opera.

It took more than a fire last month to keep promotional umbrellas giant Lawtex down. Sales director Derek Milne took a philosophical view: "It's been very dry for the last couple of years, and we've been praying for a downpour, but this isn't exactly what we had in mind!"

At KMC at least, the talk is not all of hard times. "It seems our recruitment and training methods are even better than I thought" - beamed KMC chairman Geoff Marshall-Clarke recently on hearing that six of his staff had passed the ultimate test - the ISP Diploma course exam.

Frank talk from Peter Humphrey of Option One: "It's a standing joke that we're always talking to Heinz, but we don't work for them." Even though a competing Hellmans account would make a marriage between the agency and Heinz a wee bit difficult, the agency is trying every tactic. Heinz sales promotion boss Ian Fryer is actually the god father of the son of Option One chairman Bob Bayley.

Sales promotion guru celebrates 20 years in the business - Addison reveals all!



When new kid on the sales promotion block Jim Addison started carving out his career 20 years ago, US troops were withdrawing from Vietnam, China had just bought two Concorde, the Beatles were recording *Help!* and plastic daffodils were an exciting promotional offer. The problem is that Addison's staff won't let him forget that time takes its inexorable toll, as this rather individual card illustrates. On the left: the front cover of a card presented to Jim by his staff to celebrate 20 years in the biz. On the right: the back cover of the same card. Fast living and pressure both take their toll we're afraid Jim, but, it's true - "Talent will out, my dears!"

It's Stanstead, guv, innit??

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Don't bother to call Rosalind Gourgey, Stansted Airport marketing manager, unless you can spell. No sooner had she carefully explained to a party of travel trade hacks that no-one gets the spelling of her beloved airport right, than the very next taxi driver offered the same hacks this card. We're campaigning on your behalf, Ros.

Toad-in-the-hole - Dartford tunnel-style

Imaginative menus for conference delegates have been prepared by the M25 Meetings Group. We have the briefest of space to list some mouth-watering examples. For starter we suggest Nose to Tail seafood panache, followed by Carved-up whole roast pig-of-a-day. Wash it all down with a creative cocktail from the list: Pina Collider, The Flashing Blue Nightmare, or Fog warning - a stomach-churning blend of Creme de Menthe, Pernod and Cider.