

Dear Reader,

Welcome to Performance Marketing, the monthly newsletter for online marketers looking for results.

There's an industry-wide push toward pay-for-performance marketing. Companies in all industries are adopting the model that provides real results without the risk and expense of traditional advertising fee structures.

[Clarins](#), Gucci, Lancome, Conair, Procter & Gamble, [Coca Cola, Inc.](#), and more are joining forces with some of the most innovative media and advertising agencies to implement the approach.

Though the shift comes during an economic downturn that has prompted many companies to cut agency fees to save money, marketers find the high quality of the results is the true benefit of value-based advertising. Read on to see who's embracing performance marketing.

All the Best,
Daniel Laury
Founder, President and CEO
LSF Interactive

Coke Adopts Performance Marketing

Coca Cola, Inc. has joined giant Procter & Gamble in shifting its advertising to a pay-for-performance model. The new model is rolling out in at least 35 markets this year and will encompass all of the company's ad- and media-agency relationships by 2011.



Performance marketing is the fastest growing segment of Internet marketing. Unlike traditional advertising where companies pay on an impression (CPM) or click (pay-per-click) basis, performance-marketing agencies are only paid for leads generated and transactions completed.

In the traditional scenario, the advertiser must pay in advance for the creative work and media buys regardless of the ROI of the campaign.

In the new model, Coke determines how valuable a marketing initiative is based on its strategic importance and their agencies recoup costs and are paid a profit only if certain targets are met.

Many companies favor performance marketing because they do not incur a marketing expense unless results are achieved. In most cases, when it relates to an e-commerce website, performance marketing is a form of advertising that is cash-flow positive.

Coke spent \$3 billion on advertising globally last year, a \$200 million increase from the previous year.

Fortune 500 Blogs on the Rise

According to a [new report](#) by the Center for Marketing Research:

- **81 of the Fortune 500** or 16% currently have public-facing blogs.
- **28%** of the Fortune 500's blogs link to Twitter accounts.
- Five of the top ten companies have public blogs: Wal-Mart, Chevron, General Motors, Ford, and Bank of America.
- **90%** of the Fortune 500's blogs have the comments feature enabled.

New Media Chatter

Visit [New Media Chatter](#) to find out what's new online from David Peck, New Media Strategist, LSF Interactive.

This week, check out:

[Things to Think about to Create a Successful Social Media Campaign](#)

Client Kudos

"It is pleasure to work with quality people who understand search engine services and our metrics."

Sebastian Ozanne

Yves Saint Laurent Beauty



Previous Issues

[Secrets of Customer Acquisition](#)

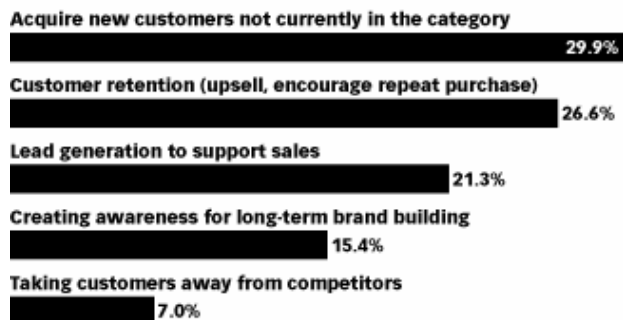
[Growth in a Downturn](#)

[Getting Savvy with Social Media](#)

[Get the SEM You Deserve](#)

Major marketers such as those at Anheuser-Busch have lauded the move, which shows that effort doesn't equal value. P&G spokeswoman Martha Depenbrock told Advertising Age, "The system fosters better collaboration and holistic-marketing plans and it's more cost-effective for P&G and agencies."

Most Important Marketing Objective According to US Marketers, October 2008 (% of respondents)



Note: n=670; numbers may not add up to 100% due to rounding
Source: MarketingProfs, "Impact of Economic Crisis," provided to eMarketer, October 20, 2008

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CLARINS

Clarins' Performance Display Campaign Exceeds Goals

The leader in luxury skin care, Clarins has built a reputation for highly effective products containing premium quality ingredients. Founded in Paris in 1954, Clarins has grown to an international network of 20 distribution subsidiaries in 150 countries, 6,100 employees, and net sales approaching the €1 billion milestone.

Challenge: Lower CPA for a Prestige Brand

Before choosing LSF Interactive, Clarins' previous online advertising efforts focused on traditional beauty and fashion sites such as InStyle and Vogue. But these offers were not generating the desired traffic volume or quality and the Cost-Per-Acquisition (CPA) for each customer was very high.

LSF Interactive's mission was to promote the Clarins' brand appropriately while generating higher traffic and a lower CPA.

Solution: Highly Targeted Effective Display Advertising

LSF Interactive conducted a deep analysis of Clarins' Top 20 best-selling products and found that buyers skewed toward women who were more concerned with skin care than cosmetics or perfume.

Using sophisticated behavioral targeting, contextual targeting and retargeting, LSF Interactive determined the lifetime value of these consumers by tracking their online habits.

After identifying the target market, LSF Interactive conducted extensive testing of messaging and special offers. We then designed a campaign geared toward the demographics and behavior of these consumers that went beyond traditional fashion and beauty channels.

LSF Interactive expanded the brand's reach to sites where Clarins had never previously advertised, developing banner and display ads for placement on key affiliate sites, implementing email campaigns

Contact Us

To find out more about how performance marketing can help your business, call 1.877.616.8226 (U.S.) or +33.1.5805.1158 (Europe).

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About LSF Interactive

LSF Interactive is a full service global interactive marketing agency that leverages all Internet channels, including Search Engine Marketing, Search Engine Optimization, Social Media, Display, Email and Affiliate program management, and focuses on conversions, to help companies acquire new customers, qualified leads or traffic and increase their online revenues. The company employs 90 people worldwide, is headquartered in San Francisco, CA, and has offices in Boston, MA, Paris, France, and Hyderabad, India.

and designing dedicated landing pages with a consistent look and feel for each banner ad.

Results: Exceeding Expectations

Since its launch in 2008, the Clarins' display campaign has generated significant high-quality traffic and exceeded Clarins' sales goals. At the same time LSF Interactive protected the integrity of this prestigious brand. Among many significant results, this campaign earned Clarins the #1 ranking in the competitive Beauty/Cosmetics category on Commission Junction's ad network.

About Daniel Laury

As founder, president and CEO of the LSF Network Group, of which LSF Interactive is a division, Daniel brings global financial experience, technical qualifications and entrepreneurial drive to online marketing. Daniel is a co-founder of LuckySurf.com, a former multimillion-dollar division of the LSF Network Group. Whenever possible, Daniel sails the cold waters of San Francisco Bay or works out on his mountain bike.



Questions? Call 877.616.8226

