



Executive Summary

On Target Marketing ***On-Demand Email Marketing***

from

Payment Alliance International (PAI)

I. Overview

The Payment Alliance International (PAI) On Target Marketing program provides acquisition email advertising services that deliver measurable value and return on investment (ROI). Inherent in these uniquely effective services is On Target Marketing's ability to consistently deliver email advertisements to finite consumer populations, including Zip Code level geographic targeting. By successfully bridging the gap between postal and digital, On Target Marketing has effectively brought direct mail to the internet and enabled acquisition email advertising to reach its fullest potential.

II. Service Offerings

PAI's On Target Marketing offers email advertising services for (a) new customer acquisition, and (b) in support of customer retention. Users have access to On Target Marketing's 125 million opt in consumer database (the "Consumer Database") as a list rental for customer acquisition campaigns, or to receive back email addresses when purchasing an email append.

- a) **Do It Yourself (DIF) or Do For You (DFY) Saturation Email Advertising:** Located at www.emailontarget.com or the customer login page <https://gopai.selfmailsystem.com/>, users can email advertisements to potential new customers within chosen Zip Codes using the industry's **only** front to back acquisition email advertising service. PAI's easy to use Graphical User Interface (GUI) provides a fully transparent advertising experience to the customer, from list to creative development, and includes the ability for customers to send themselves live tests. Once the customer sends their campaign, PAI's compliance department quickly views the advertisement to ensure compliance with PAI's compliance standards. PAI maintains a team of highly trained customer support specialists to assist DIY users of the email advertising application, or alternatively provides full fulfillment and creative services from its in-house team. Real-time reporting of consumer opens and clicks provided in the user's account.
- b) **DIY/DFY Match & Mail Advertising:** Located at <http://gopai.selfmailsystem.com>, users can upload a direct mail list and segment PAI's Consumer Database to target consumers based upon demographics or lifestyle behaviors. Users can use Match & Mail (i) solely for the deployment of email campaigns, or (ii) in concert with a postal direct mail campaign for true multi-channel marketing (by emailing the advertisement to a percentage of the same consumers matched against the direct mail list).
- c) **Email Append:** A customer list is matched against PAI's Consumer Database. PAI (a) sends the matched consumers a permission pass to ensure delivery of the consumer record, (b) offers each consumer the opportunity to opt out of receiving future email advertisements from PAI's customer, and (c) delivers the matched and deliverable email addresses back to the advertiser appended to its customer list.
- d) **Email Change of Address:** Customers provide PAI with their "bounce file". PAI performs the email append services as described above.
- e) **Fulfillment Services:** PAI's partners began in 2003 as a provider of outsourced fulfillment services for other very well-known email advertising providers. Often these providers would have their own delivery platforms, however they would turn to our system if they were having delivery problems or the campaign involved too many records. Indeed, today the On Target Marketing system still provides outsourced delivery for approximately 200 million email append permission passes per year on behalf of its fulfillment customers.

III. Delivery

Paramount to the delivery of ROI for email advertisers is Inbox delivery. Many email advertising companies hugely over-mail to accomplish some Inbox delivery, in essence hoping that a small percentage of the advertisements they send find their way to consumer Inboxes. Often this approach either fails to deliver measurable results for the customer, earns the customer a bad reputation with Internet Service Providers, or both.

PAI's On Target Marketing program is different. Simply, in order to send targeted email advertisements within finite geographic parameters, over-mailing is not an option. For instance, if a restaurant is sending coupons to consumers within 3 miles of its location, there are only so many people that live within the local community. Sending email advertisements to consumers 10, 15 or 20 miles away from the restaurant provides the advertiser with little to no value.

On Target Marketing's industry leading delivery is based upon 3 factors: (i) superior technology, (ii) quality of data, and (iii) compliance.

(i) Technology:

On Target Marketing's technological innovations include

- **“Campaign Continuity”** – the ability to continue delivering a job without starting over in the event delivery is disrupted by an ISP;
- **“Bounce and Replace”** – the ability in real-time to automatically replace a bounced consumer email address with the consumer's new email address, without stopping the delivery process; and
- **“Quantitative Testing”** – the ability to empirically test Inbox delivery across the entire email delivery system.

(ii) Quality of Data: PAI's On Target Marketing Consumer Database is comprised of purchased data from reputable tier 1 data aggregators, and must include first and last name, residential address, email address, and confirming opt in information. PAI's compliance department qualifies the opt-in status of the data prior to it being added to production. Consumer opt-outs are processed in real-time.

PAI's robust 125 million Consumer Database represents 57% of the U.S. internet population, or an average of 1/3rd of the rooftops per Zip Code. Basic demographics are “general consumer”:

- 18 years or older
- Average ages between 20 – 45
- Average Household Income (HHI) between \$40,000 - \$100,000 annually

PAI is constantly augmenting the breadth and depth of its database, adding new data into production, a fact enabled by the technological innovations defined above. As a result, advertisers consistently receive an increase in the finite populations of consumers receiving their advertisements. In addition, on average, .0025% of the consumers opt-out with each campaign. On Target Marketing's DIY count engine employs an algorithm that contemplates delivery variables such as new data.

- (iii) **Compliance:** PAI's On Target Marketing system maintains strict compliance of the type of advertisements it will deploy, and will not send "spammy" offers including those listed on Schedule 1. As a result, PAI's On Target Marketing system has white-listed status and receives feed-back loops with the major ISPs. Additionally, because PAI's On Target Marketing has never mailed the spammy offers as listed on Schedule 1, the email servers have built a legacy or history with the ISPs, and accordingly the On Target Marketing's system servers are not blocked.

IV. DIY On Target Marketing (Saturation and Match & Mail)

DIY users don't have to be marketing experts or even computer savvy to use the application. On Target Marketing is so intuitive that local retailers, restaurateurs and other SMB to large business organizations can start email advertising right away. Or, for no additional cost, PAI's fulfillment team can test and deploy the campaign on the customer's behalf.

There are just 5 easy steps:

- **Step 1:** Gender Selection
- **Step 2:** List Development – Zip Code Selection or Upload List
- **Step 3:** Upload or Build Advertisement – Many Easy to Edit Templates Available
- **Step 4:** Send Live Test Email and Click Send
- **Step 5:** Track the Campaign

V. Response

Although response rates vary as based upon a myriad of variables, On Target Marketing has quantified its average open and click rates by vertical, as well as by make in the automotive vertical (the "Consumer Response Quotients"). Please see Schedule 3.

Additionally, please find case studies on Schedule 4 as based upon redemption information provided by On Target Marketing's customers, and other statistical information.

Schedule 1 Compliance Guidelines

PAI cannot deploy email advertisements for the following types of campaigns to Internet Service Provider (ISP) restrictions:

- a) Gaming
- b) Internet Only
- c) Mortgage
- d) Credit Cards or Financial Offers
- e) Surveys
- f) Pharmaceuticals
- g) Vitamins
- h) Supplements
- i) Pornography
- j) Multi Level Marketing
- k) Business Opportunity
- l) Alcohol
- m) Tobacco
- n) Satellite TV
- o) ADT Home Security
- p) Online Colleges
- q) Negative Advertisements (such as in politics)
- r) Advertisements that have no relevance to the consumers being emailed

Schedule 2 Screen Shots

The screenshot shows the top navigation bar with the Payment Alliance International logo on the left and the text 'ONDEMAND GEO-TARGETED EMAIL ADVERTISING' on the right. Below the navigation bar are buttons for 'Home', 'My Campaigns', 'My Lists', 'My Mailpieces', 'My Account', and 'Help'. The main content area features a question 'What would you like to do?' with a small character icon. Below this is a 'REGISTER FOR FREE' button with a notepad icon. A login form follows, with fields for 'Email:' and 'Password:', a 'LOGIN' button, and a note: 'Note: Your password is case sensitive.' A link for 'Forgot Your Password?' is located below the login form.

The screenshot displays the 'ON TARGET MARKETING' interface. The top navigation bar includes the Payment Alliance International logo, the text 'ON TARGET MARKETING', and a 'logout' link. Below the navigation bar are buttons for 'Home', 'My Campaigns', 'My Lists', 'My Mailpieces', 'My Account', and 'Help'. A 'PURCHASE E-STAMPS' button is on the left, with the text 'You have 0 eStamps' next to it. A 'Run a Quick Count' button is on the right. Below these are four icons: 'MY CAMPAIGNS', 'MY LISTS', 'MY MAILPIECES', and 'PROFESSOR HELP'. A large green circular button with a red arrow pointing to it says 'NEW USER START HERE' and 'START NEW CAMPAIGN WIZARD'. To the right, the text reads 'Start Finding New Customers in just 3 EASY STEPS!' with three numbered steps (1, 2, 3) and a mouse cursor pointing to step 1.

payment alliance international

ONDEMAND GEO-TARGETED EMAIL ADVERTISING logout

Home My Campaigns My Lists My Mailpieces My Account Help

PURCHASE E-STAMPS You have 0 eStamps



Who would you like to advertise to?



 MEN & WOMEN

 WOMEN ONLY

 MEN ONLY

payment alliance international


ONDEMAND GEO-TARGETED EMAIL ADVERTISING logout

Home My Campaigns My Lists My Mailpieces My Account Help

PURCHASE E-STAMPS You have 0 eStamps




You can Pinpoint your target audience by checking or unchecking the selected ZIP Codes below. You can then name and save your list.

City	State	Center ZIP Code	Gender	List Total
West Palm Beach	FL	33401		129,843

Save List As:

By Clicking next we will auto fill this field.

NEXT 

PURCHASE E-STAMPS You have 0 eStamps



Let's make your Mailpiece... Choose from a template below
Tip You can also upload your own artwork by selecting "My Own Image Upload"

Choose a Category

- [-] Entertainment
- [+] Marine
- [+] Medical Practice
- [+] Movie Theaters
- [+] Performance Theate
- [+] Pest Control
- [+] Pets
- [+] Political
- [+] Real Estate
- [+] Restaurants
 - [+] Chinese
 - [+] Delivery
 - [+] Fine Dining
 - [+] Italian
 - [+] Mexican

Fine Dining 000

PURCHASE E-STAMPS You have 0 eStamps

My Campaign

Campaign Name: Campaign_Wisard_7_11_2011_10_12_11 [SEND CAMPAIGN](#)
[Edit Campaign Name](#)

Who

82,412 [CHANGE LIST GENDER](#)

Where

Selected ZIP Codes from ZIP code 33401, 10 mile radius [VIEW LIST DETAILS](#)
[CHANGE LIST GEOGRAPHY](#)
[SELECT A DIFFERENT LIST](#)

What

From: CO:TWAL [CO:TWAL@CO:TWAL.kmla[adrvn]x.com]
 Subject: got deals now!

[EDIT MAILPIECE](#)
[SEND TEST EMAIL](#)

See your industry results on the next page!

Schedule 3 Consumer Response Quotients

All Verticals		
Vertical	Opens %	Click %
Attraction	3.02%	11.34%
Auto	2.42%	16.72%
Auto Parts/Service	2.69%	12.39%
Clothing - Accs - Shoes	2.20%	23.61%
Coop Advertising	3.89%	13.92%
Education	2.15%	14.37%
Entertainment	2.40%	12.96%
Event	2.54%	12.28%
Fitness	2.49%	16.62%
Furniture	1.49%	23.08%
Grocery	2.89%	21.37%
Home Services	2.15%	13.08%
Jewelry	2.34%	23.47%
Medical	1.84%	11.40%
Pet/Vet	2.45%	8.87%
Political	2.93%	19.73%
Real Estate	3.09%	27.05%
Restaurant	4.04%	17.55%
Retail	3.65%	26.35%
Sports (Events & Teams)	2.24%	14.47%
Travel	2.81%	19.72%
Total Average	2.61%	17.13%

Automotive		
Make	Opens %	Click %
Acura	2.97%	13.24%
Aston Martin	5.99%	18.16%
Audi	2.03%	39.34%
BMW	1.95%	15.96%
Chevrolet/Cadillac	2.43%	11.70%
Chrysler/Dodge/Jeep	2.33%	17.29%
Ford/Lincoln	2.49%	16.05%
GMC	2.46%	19.40%
Honda	2.13%	15.98%
Hyundai	2.45%	16.45%
Infiniti	3.04%	18.47%
Jaguar	3.61%	14.40%
Kia	2.00%	21.67%
Land Rover	2.59%	20.99%
Lexus	2.75%	14.28%
Maserati	2.71%	45.96%
Mazda	1.37%	17.86%
Mercedes	3.30%	18.76%
Mini	1.85%	9.12%
Mitsubishi	1.57%	15.61%
Multiple Name Plate	2.67%	13.72%
Nissan	2.10%	13.29%
Porsche	2.30%	30.13%
Subaru	2.09%	25.38%
Suzuki	2.37%	18.02%
Toyota	2.21%	17.24%
Used	2.95%	14.81%
Volkswagen	2.87%	12.33%
Volvo	2.18%	29.30%
Total Average	2.42%	16.72%

Schedule 4 Case Studies

25% OFF REG. PRICE **HURRY!**
YOUR ENTIRE PURCHASE OFFER EXPIRES
EMIGH Hardware **6/30/10**
Click here to print coupon

KEEP ON SAVING! Sign Up>>>
Sign up to receive in-store coupons and be the first to learn about new products, events and our latest sales.

We invite you to forward this email to **FAMILY & FRIENDS!**
Everyone Saves!

EMIGH ACE Hardware

Emigh Ace Hardware	
Total Records Deployed	38,758
Total Opens	2,124
Total Clicks	667
Open Rate	5.48%
Click/Open	31.40%
Total Coupon Views	908
Viral %	36%
Total Prints	638
Prints/Views	70.26%
Redemptions	206
Cost of Email Campaign	\$2,325
Average Income per order	\$75
Total Income First Visit	\$15,479
First Visit ROI	666%
Lifetime Customer Value	\$376
Lifetime ROI	3328%

Mattress Giant. PRESIDENT'S DAY
\$100 OFF OUR ALREADY LOW ROLLBACK PRICING
Beautyrest **PRICE ROLLBACK SALE**
EXPIRES 2/21/11 GET COUPON

\$100 OFF REGULARLY PRICED KINGSDOWN MATTRESSES
KINGSDOWN **HURRY! SALE AND COUPONS EXPIRES 2/21/11**
EXPIRES 2/21/11 GET COUPON

Don't forget to forward this email to friends and family!

TEMPUR-PEDIC Beautyrest Kingsdown AirSpring

Mattress Giant Case Study	
Total Records Deployed	2,651,359
Total Opens	19,133
Total Clicks	2,441
Open Rate	0.72%
Click/Open	12.76%
Total Coupon Views	2993
Viral %	23%
Total Prints	580
Prints/Views	19.38%
Purchases	1685
Cost of Email Campaign	\$132,567
Average Income per order	\$780
Total Income First Visit	\$1,314,300
Campaign ROI	991%

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OVER 65% OFF October 16th & 17th

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\$15 GENERAL ADMISSION
PETTING ZOO & PONY RIDES
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MEMBERSHIP INCLUDES HOLIDAY LIGHTS & ALL OF 2011!

For more information, please visit us at:
www.gilroygardens.org

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Gilroy Gardens Amusement Park	
Total Records Deployed	49,162
Total Opens	3,426
Total Clicks	674
Open Rate	6.97%
Click/Open	19.67%
Total Coupon Views	953
Viral %	41%
Total Prints	352
Prints/Views	36.94%
Redemptions	303
Cost of Email Campaign	\$2,950
Average Income per order	\$23
Total Income First Visit	\$6,818
First Visit ROI	231%
Lifetime Customer Value	\$113
Lifetime ROI	1156%

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MOTHER'S DAY IS SUNDAY, MAY 9.
 "SHOW THE LOVE" WITH WOOD RANCH CATERING!

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WOOD RANCH BBQ & GRILL
 Expires June 18, 2010.

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Wood Ranch Case Study	
Total Records Deployed	115,773
Total Opens	7,555
Total Clicks	1,439
Open Rate	6.53%
Click/Open	19.05%
Total Coupon Views	2001
Viral %	39%
Total Prints	1,047
Prints/Views	52.32%
Estimated Redemptions (50%)	524
Cost of Email Campaign	\$5,789
Average Income per order	\$15
Total Income First Visit	\$7,853
First Visit ROI	136%
Lifetime Customer Value	\$75
Lifetime ROI	678%