



SOCIETY OF ACTUARIES

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A Call for Papers

The Nontraditional Marketing Section is interested in receiving papers for publication in *NewsDirect* that would be of interest to Section members.

As an incentive, the Section is holding a contest for 1998. A cash prize of \$250 will be awarded to the author of any paper accepted for publication in 1998. In addition, at the end of 1998 a prize of \$1,000 will be awarded to the best paper submitted. *NewsDirect's* editorial board will decide which papers are acceptable for publication, and the Section Council will decide the grand prize winner.

Articles should be approximately 500 to 2,000 words. It is suggested that articles be educational, include real-world examples, and cover current issues or original research. A list of suggested topics is as follows:

- Banks and insurance
- Pre-need life insurance
- Credit insurance
- Payroll deduction
- Direct response.

This is a great opportunity to share your ideas and get some recognition, so start writing. If you have an idea for a paper but are not sure if it is appropriate, please contact us. Articles should be typed in Word or WordPerfect and submitted via e-mail to kdesai@voicenet.com or joseph.e.brennan@prudential.com.

Editor's Note

\$83 Billion Access Fee or a New Era for Nontraditional Marketing

by Kiran Desai

We have finally come of age. Waving the "red umbrella" and \$83 billion, CitiGroup is entering the giant sweepstakes of customer-based marketing. The alternate-distribution method, direct mail, direct marketing, direct-response marketing, database marketing, relationship marketing, and bancassurance were the various monikers for the art and science of nontraditional marketing that I can remember during the three decades that I have personally been in this business (has it been that long?). Increasing the value of the company through efficient access to the customers was (and still is) the name of the game. Not being "mainstream," we, the practitioners of this art, suffered many darts the least of which was being tagged as junk-mail junkies. But finally the vindication has come from the pillars of tradition. Does this mean oblivion of the nontraditional by absorption? Hardly.

Now more than ever, we who have honed this fine art of measuring responses, targeting products based on need (and not greed), and marginal cost analysis (see the article on "value analysis" by Lee and Jaffe in this issue for starters), can make the difference. Travelers and CitiCorp (with possibility of AIG, Merrill Lynch, Chase, and Credit Suisse, et al, following the merger mania) are merely reading the handwriting on the wall long visible to us. In less than two years (three years, if you are a purist) we will enter the new millennium. By then globalization of financial services will be a reality. Survival will require practicing efficient and effective marketing that goes beyond the traditional methods, taboos, countries, and products (like solving the famous puzzle of connecting the nine dots by going outside the box). A company's assets will recognize the value of names and the ease of access to them. That is what this down payment

of \$83 billion is all about. In describing this "merger heard 'round the world," the *Wall Street Journal* says, "... the transaction hinges on the ticklish strategy of 'cross-selling' products." Well, we do know a lot about what it takes to do successful "cross-selling."

The question is, will we rise from our obscurities and be heard. One way to do this is to form a network through participation. Come to our annual Section meetings and NTM-sponsored sessions at the various SOA meetings. Volunteer to run a workshop or a panel discussion. Write papers about what you do. We even have a special incentive this

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year (see Joe Brennan's article on *NewsDirect* articles on this page). If you have questions, call any of the sub-specialties champions (advisors) appointed by the council for mentoring. They are: Rick Bergstrom, Perry Kupferman, Jay Jaffe, Carl Meier, Dave Seidel, and John Yanko. Send your e-mails to the editorial board: Kiran Desai (kdesai@voicemail.com), Joe Brennan (joseph.e.brennan@prudential.com), or Nancy Manning (nmanning@jcpenny.com). We need to build the knowledge base and enlarge the network of our highly valuable members. Someone has just put a down payment of \$83 billion to build this. So let us do our share.

Spring is the time for rejuvenating. Let us revitalize our Section. Come share your knowledge with us.

Kiran Desai, FSA, is President of Swiss Am Financial Consultants in Cherry Hill, New Jersey, a member of the Nontraditional Marketing Section Council, and editor of NewsDirect.