



## E-centives & Forrester Research Sound the Call for New Consumer Packaged Goods Marketing Imperative

### ***Seminar Delivers Timely Insights to Help CPG Marketers Finally “Close the Loop” through Integrated Direct-to-Consumer Relationships***

**Bethesda, MD: June 28, 2002** — E-centives, Inc. (SWX: ECEN), a leading provider of interactive direct marketing technologies and services for global marketers, in conjunction with Forrester Research, presented insights to Consumer Packaged Goods marketers at a recent invitation-only executive breakfast in New York City entitled, “*Impacting Market Share Through Innovative Interactive Marketing.*”

The dual presentations, by Forrester Research Director and CPG expert, Robert Rubin, and E-centives’ President and COO, Dadi Akhavan, focused on specific opportunities and challenges facing CPG manufacturers in an increasingly competitive and fragmented brand marketing landscape\*. The core message communicated to the audience of top level CPG executives: *To remain competitive, CPG marketers must harness the power of integrating new Web technologies with marketing programs to finally establish true direct-to-consumer relationships.*

To the CPG community, the message is timely, as reflected by various industry statistics: According to the DMA (Direct Marketing Assoc.), \$356.52 billion was spent in total U.S. advertising in 2001. Forrester cites \$7.5 billion spent on digital marketing last year, and predicts that digital marketing will turn into a \$21 billion business by 2005. Of particular interest to CPG manufacturers, the IAB (Internet Advertising Bureau) recommends that online spending should account for 15% of CPG companies’ total marketing budgets

#### **Insights from Forrester Presentation**

Recognizing the Web as ‘Marketing Central’ was the core theme of Mr. Rubin’s presentation. That is, to view the Web and its ancillary technologies as a hub around which a CPG company’s entire consumer and brand marketing can be centered. Another benchmark subject at the core of Mr. Rubin’s philosophy, as outlined in his prescient industry report, “*Manage Cohorts, Not Brands*”, is the advice to CPG marketers to move beyond today’s brand-centric, mass-media approach and instead emphasize the consumer-centric model. Forrester has coined this new model “cohort management” - the practice of bundling brands around “cohorts” which are similar consumer groups or households.

Among the findings and insights revealed in the Forrester presentation (with survey data provided by Information Resources, Inc.):

- The top 5 CPG-related activities that consumers do online are: Find recipes, enter sweepstakes, read articles, download coupons and request samples.
- Consumers who visit CPG Web sites are specifically looking for: promotions, free samples, recipes and product information.

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## ***E-centives & Forrester Research Sound the Call for New CPG Marketing Imperative - 2***

### **Insights from E-centives Presentation**

Dadi Akhavan, President and COO, E-centives, revealed insights gathered through the Company's discussions with executives from leading global CPG companies. Select mission-critical needs articulated by these marketers included:

- ***To develop direct relationships with consumers and interact with them on a more personal, targeted basis in order to increase response rates and efficiency of reach.*** Marketers want to find better ways than dropping 60 million FSI's in order to reach the 2-3 million consumers of their product.
- ***To gain knowledge about their consumers across the company's multiple brands in order to better understand their purchase behavior and anticipate their needs, as well as be able to leverage the data for cross-selling opportunities.*** Marketers want to know who buys their products, what they'll be offering in their neighborhood, what they like, and how often they want it.
- ***To identify the lowest incentive value in which a consumer will switch product or brand in order to minimize the cost of converting competitive users.*** Marketers want to understand category and brand usage and be able to track consumers' purchase behavior so they can target different consumer segments with the most cost-effective offers.

In his presentation, Mr. Akhavan cited examples of how leading global CPG companies use integrated interactive database marketing for multi-brand Web initiatives to build direct consumer relationships. Intrinsic to the presentation was a demonstration of E-centives' IDBM (Interactive Database Marketing) solution, a new outsourced suite of technology and services, which have specific benefits to CPG manufacturers.

Specifically, Mr. Akhavan highlighted how IDBM enables CPG marketers to use the Web much more effectively to motivate the purchase behavior of consumers, thereby protecting and growing market share. This is accomplished through a suite of e-marketing technologies including: advanced, personalized e-mail communications; patented, secure printable Internet coupons; a broad range of promotional capabilities such as sweepstakes, sampling, rebates, etc.; dynamic, flexible surveys; and intelligent, multi-faceted data collection, reporting and analytics.

### **E-centives Offers White Paper on CPG Marketing**

Included among the presentations was a White Paper from E-centives, entitled, "*Connecting with Consumers in Innovative Ways to Build Brands & Relationships – The New Consumer Packaged Goods Imperative.*" In it, the Company describes how the combination of new technologies and consumer data are creating a new era in CPG marketing, enabling marketers to seize the enormous power of the Internet and its unique ability to interact with consumers on an individual basis. The report discusses the potential of new e-marketing capabilities for all CPG companies who want to stay ahead of the game.

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Commenting on the timeliness and value of teaming with Forrester for the *Innovative Interactive Marketing* breakfast, E-centives' Dadi Akhavan stated, "Forrester represents the best in pro-active thinking to help businesses make smart decisions about new technologies. We try to do the same for our clients. We hope these presentations provide practical insights for CPG companies to realize the true potential of using sophisticated technologies and integrated, Web-based consumer-centric marketing to build their brands and market share. In a time of exciting challenges, this is the opportunity that forward-looking marketers cannot afford to miss."

**About E-centives, Inc.**

E-centives, Inc. is a leading provider of interactive direct marketing technologies and services that enable companies to acquire and retain consumers and promote more profitable relationships with them. Clients include Nestlé USA, Reckitt Benckiser, and AOL. Headquartered in Bethesda, MD, with offices in San Francisco, New York, and London, E-centives, Inc. is traded on the SWX New Market of the SWX Swiss Exchange under the symbol "ECEN".

*Under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, E-centives cautions investors that any forward-looking statements or projections made by the company, including those that may be made in this press release, are based on management's expectations at the time they are made, but they are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Specifically, E-centives forecasts of revenue growth, membership growth, and EBITDA are forward looking in nature, and could differ materially from current expectations. E-centives' future results may be impacted by factors such as technological changes, market acceptance of the company's services, and competitive market pressures. E-centives' future results also may be impacted by other risk factors listed in its prospectuses dated October 2, 2000, July 3, 2001, November 21, 2001 and January 29, 2002, and Forms 10-K and 10-Q filed with the Securities and Exchange Commission. By making these forward-looking statements, E-centives undertakes no obligation or intention to update these statements after the date of this release.*

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***\*NOTE: Summary documents from the Forrester and E-centives presentations, as well as E-centives' White Paper, "Connecting with Consumers in Innovative Ways to Build Brands & Relationships – The New Consumer Packaged Goods Imperative", are available upon request.***