

**Worth
KNOWING
About
...THE INTERNET**



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THE INTERNET - TAKING A TRIP AROUND THE WORLD WIDE WEB

SPRING 2003

Worth Knowing About... is the inaugural edition of our quarterly newsletter. We hope you enjoy reading it and find the information provided to be useful. Each issue will provide some insight on a specific aspect of marketing, communications, or design; and of course, interesting PROSAR news (can you ever get enough?!). If there are any topics that you'd like to see addressed in future issues, please call us or email your suggestions to editor@prosar.com.

When it comes to the Internet, we can now do it All!

After spending over a year searching for the right Internet services supplier, and then several months for PROSAR to be approved as a Business Partner, we are now completing our training to be accredited Internet Consultants.

Our alliance with WSI, a leading supplier of Web-based solutions, greatly enriches our existing Internet expertise (consultation, writing, creative, design and HTML programming, just to remind y'all). WSI is a huge resource that adds advanced programming and backend structure for virtually any online application, robust data base creation and programming, e-commerce set-ups, online project management systems, sophisticated email marketing campaigns, expert Flash animation, 360° panoramas... if it's Internet based, you can rely on PROSAR to help you find the right solution.

Through WSI's global production centres, located in Australia, Canada, El Salvador, Mexico, Saudi Arabia, Spain and the United States, PROSAR is able to ensure you receive top quality work and the technological advantage that generates results.

We can now also look after domain registration, progressive site listing/ranking strategies and host Web sites, offering detailed statistical analysis to measure the site's effectiveness and guide its evolution.

These are tremendous opportunities for PROSAR and you. With the Internet's increasing strength as a communication medium, and the growing popularity of intranets, we are confident that you will find our expanded range of abilities to be of significant benefit to your business.

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URBANLINKS

PROSAR Canada Inc. is pleased to offer a new venue for advertising that you might want to consider as part of your marketing strategy. (What, no strategy? Then we should definitely talk!)

Through a new video advertising system known as UrbanLinks, you will be able to target over 200,000 daily commuters at the city's busiest transit stations. The video system loops a ten-minute broadcast on high-quality, flat panel screens mounted from the ceiling to allow for comfortable viewing. Sensors measure the ambient noise and automatically adjust the audio to between 55 and 80 decibels, ensuring that your audience will see and hear your message.

Included in each ten-minute broadcast are updated *Sports Update* and *What's on Around Town* segments; advertising space is sold in ten-second spots. Ads will run 100 times a day, that's 3,000 times per month!

This is a tremendous opportunity to reach a significant audience very effectively and cost-efficiently.

The provider of this new advertising vehicle, VideoLinks International, has authorized PROSAR to offer a special discount to our clients. Buy six months of advertising and receive another six months free! The bonus months can be used concurrently or sequentially. Act quickly as this special is for a limited time only! To learn more about this new video advertising opportunity, contact Antonio or Scott today. ●

Welcome Antonio!

Antonio is a graduate of Algonquin College's Business Program with a major in marketing who has developed his marketing prowess in the fast-paced and demanding high tech sector. Joining our team in the summer of 2002, his strong analysis, market research and writing skills assist PROSAR in successfully directing clients' communication efforts. His attention to detail and friendly manner ensure that projects and relationships run smoothly. ●



"THE (SUB)CONSCIOUS,
THOUGH ONE CANNOT
FORCE IT, WILL NOT
PRODUCE NEW IDEAS
UNLESS
IT HAS BEEN
PAINSTAKINGLY
STUFFED
FULL OF FACTS,
IMPRESSIONS,
CONCEPTS,
AND ENDLESS
SERIES OF
CONSCIOUS
RUMINATIONS
AND ATTEMPTED
SOLUTIONS."
MORTON HUNT
The Universe Within,
1982.



MARKETING

- Market Research & Interpretation
- Survey Design, Implementation & Evaluation
- Advertising & Media Assessment
- Creation of Direct Marketing & Advertising Campaigns
- Development, Execution & Analysis of Strategic Market Plans
- Creation & Implementation of Promotions, Campaigns & Contests



CREATIVE & GRAPHIC DESIGN

- Conceptual Artwork
- Concept Design & Layout of Promotional & Educational Materials
- Design & Production of Publications/Magazines
- Design & Layout of Brochures, Posters, etc.
- Creation of Advertisements
- Design of Logo & Corporate Identity Packages
- Fine Art, Illustration & Cartooning (traditional and digital)
- Our design team has many years of experience in fully preparing digital files for final film output, including scanning, photo manipulation and colour separations.



EDITORIAL

- Promotional & Ad Copy Writing
- Telemarketing & Prospecting Scripts
- Report & Technical Writing
- Editing & Translation
- Radio & Television Ad Scripts (including musical themes and jingles)
- All services offered for all official languages.



NEW MEDIA

- Web Site Planning & Creation
- Web Site Marketing & Email Campaigns
- Illustration and Animation
- Listing, Ranking & Web Site Analysis
- E-commerce, Database Design & Programming
- Promotional & Educational CD Rom Planning & Creation



PROJECT MANAGEMENT

- Art Direction
- Photography
- Print Management
- Distribution Planning & Supervision
- Event Planning, Promotion & Execution

Online Media Sets Pace as Total Media Spending Grows in 2003

It is projected that the increase in spending with regard to online advertising will outpace the growth in total media spending in 2003.

Following two years of relatively conservative media spending, advertisers are once again gearing up to get their brands out in front of the public. eMarketer, a US media research firm, recently forecasted that online media spending would rise by 6.3% for the coming year—surpassing the 4.7% increase expected for total ad expenditures.

Having seen how interactivity can make offline media more efficient, many companies are now taking greater strides towards becoming more interactive in 2003. The Internet has also proven to be an instrumental tool in helping organizations to build their brand, thus encouraging many advertisers to allocate more money to Internet promotions and advertising. ●



American Car Buyers Research Online

A new study compiled by J.D. Power and Associates indicates that the automotive Internet user visits an average of seven Web sites while shopping for a new vehicle and will start shopping online two months before they ready to purchase.

According to the research, 60% of new-vehicle buyers use the Internet to assist in their purchase. Of those, 88% will visit the dealership's Web site before arriving for a test drive.

The survey also found that 82% of new-vehicle buyers visited a third-party automotive site in 2002, while 76% visited a manufacturer Web site, and 48% visited dealer sites.

Currently, 4% of all new vehicles purchases are via the Internet. ●



Advertising & Direct Mail Statistics

According to a study by Beyond Interactive and Greenfield Online that surveyed 1,000 Internet users, email campaigns can be a strong sales generator—68% of the respondents said they have made purchases online after receiving email.

As well, 59% of those who said they had received email marketing later made purchases in retail stores. This supports other research which highlights the link between online advertising and brick and mortar locations. It is important to note that email can have a significant impact on receivers that don't click through. However, few advertisers track post-delivery or post-click conversions, nor do they reconcile offline purchasing activity with online marketing efforts.

Respondents reported that they received 60% more email in 2002 over 2001—the average inbox has 254 emails in it!

To have any impact, email campaigns must be both compelling and targeted.

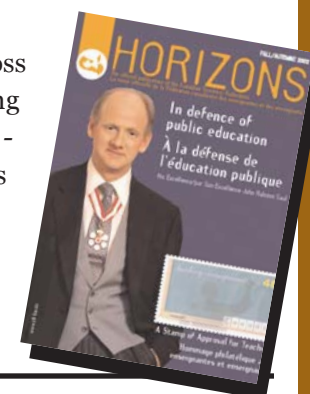
The study found that 60% base their decision on opening an email on the "from" field. Most marketers understand that the sender has an influence on recipients' willingness to open emails; we've all opened junk email from "Your order confirmation," or "Sorry for the delay." The importance of the sender also explains the number of marketers who include "forward to a friend" buttons in their email.

The Direct Marketing Association (DMA) reports that growing numbers of traditional direct marketers are incorporating email into their strategy. Research conducted during its annual "State of Postal & E-Mail Marketing" survey found that 71% of direct marketers increased their use of email.

Cost-related factors accounted for most direct mailers' interest in the Internet, however there is more to consider than just savings. Online marketers participating in the study reported an average increase in responses of 35.2%, while only 25% of offline mailers experienced that kind of increase. ●

ON THE HORIZON

Interested in reaching over 140,000 teachers across Canada? PROSAR is in the process of selling advertising space in the second issue of *HORIZONS - The Canadian Teachers' Magazine*. First issue was distributed in September and was a great success. (And looked great too, if we don't say so ourselves!) ISSUE TWO WILL BE DISTRIBUTED IN APRIL '03, CONTACT DEBORAH@PROSAR.COM FOR DETAILS.





Search Engine Ranking an Important Consideration

A report from iProspect reveals that 56.6% of Internet users abandon their searches after the first two pages of results, and with more than three-quarters of Internet users relying on search engines, this consideration is critical.

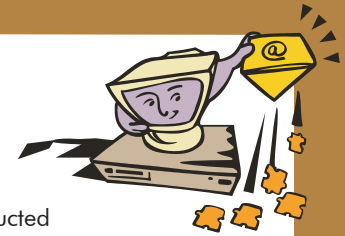
Collected from 1,403 email participants, results showed that roughly 16% only look at a few entries of search results, and almost 32% read through the whole first page. Only 23% of searchers go beyond to the second page, with the numbers dropping significantly after that (first three pages 10.3% and more than three pages 8.7%).

A strong user allegiance was evidenced with more than 52.1% usually using the same search engine or directory, and only 35% regularly using different engines. However, when their initial search is unsuccessful, 27.2% of the respondents switch to another search engine, rather than refining their search.

Search123 surveyed nearly 300 online businesses to find that 47% allocate the majority of their online advertising budgets to pay-per-click (PPC) search engines and search engine optimization (SEO). More than half augment their paid search efforts with SEO to improve rankings within engines. ●

MISSION IS POSSIBLE

Achieve your
MISSION
call
PROSAR
CANADA INC
Marketing & Design
Result-Oriented Communication
MISSION IS POSSIBLE



Are you Sending Junk(email)?

Over 1,250 frequent email users were surveyed by Quris Greenfield Online to gauge the effectiveness of email marketing campaigns. Two-thirds of the respondents said they had a favourable impression of companies that conducted professional-looking email campaigns, 58% said they usually open messages from such senders, and 54% said they don't consider them as junk mail.

Consequently, a poor email marketing program could create a negative impression, specifically for well-known brands. The majority of respondents had higher expectations for email campaigns run by established companies.

Establishing an ongoing email campaign has significant advantages. Consumers who are long-time recipients of permission email tend to shop more online, click through emails, and view the sender's brand positively.

Online communications that are most favoured are: customer service emails, confirmations, and customized newsletters. Respondents' least-favorite mailings included one-off promotional campaigns, contests, and mail from third-party lists. ●

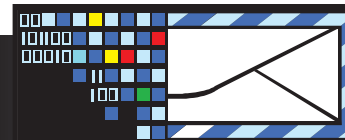
Email Marketing Contributes to Increased Sales

According to a survey by the Direct Marketing Association (DMA), two-thirds of US companies claim that sales increased in 2001 as a result of using email marketing.

Medium-sized businesses reported the best results with a 59.8% increase in sales in 2001. Large enterprises saw a 47.1% increase in sales, and small companies a 42.6% increase.

63% of respondents said that email marketing was their most effective customer retention tool, while 37% said that it was an effective customer acquisition tool.

Plain text was the most popular form of email marketing, however the greater impact of graphics, and the rapidly growing number of broadband and high-speed connections, is encouraging more and more HTML emails. ●



WANT TO RECEIVE OUR
NEWSLETTER ELECTRONICALLY?

Send an email to editor@prosar.com and cite your preference: Plain Text, HTML or PDF. Our next newsletter (late May) will be sent to you in that format.