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MARKETER'S PRIMER SERIES
White Paper:
**Best Practices for 1:1 (Personalized)
Printing**

This white paper is excerpted from "1:1 (Personalized) Printing: Boosting Profits Through Relevance," an authoritative look at issues related to database-driven printing from a marketing perspective. For more information on this report, visit Digital Printing Reports (www.digitalprintingreports.com).

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Marketer's Primer Series: 1:1 (Personalized) Printing

INTRODUCTION

It's a tough marketing world out there. The media mix is fragmenting. Marketers no longer have the freedom to worry only about "the big three": television, radio, and print. They need to worry about blogs, viral marketing, online advertising, search engine marketing, podcasts, and more. As media continues to splinter, consumers expect to be targeted on a demographic, even individual, basis.

At the same time that there are more places for companies to spend their marketing dollars, marketers are increasingly called onto the carpet to justify their spending decisions. With the U.S. just starting to pull out of the recession, every decision becomes that much more critical. 1:1 (personalized) printing offers the appeal of quantifiable metrics that help marketers justify their budgets in a way that many traditional media do not.

In this white paper, we will outline some critical practices for 1:1 (personalized) printing so marketers can get the most out of these campaigns.

Critical lessons from the field

1. Traditional marketing rules apply.

When marketers begin implementing 1:1 printing applications, there can be the misperception that because of its personalized nature alone, the 1:1 piece will drive response. Not so. This is still marketing, and it is the creative, the marketing message, the offer, the segmentation, and the incentive, among other components, that determine success. The personalized nature of the communication must be part of this larger effort.

2. Focus on relevance, not "personalization."

It doesn't matter how "personalized" a document is. If it isn't relevant to the person receiving it, that personalization is worthless. Take the shoe market. Clearly, you don't want to market orthopedic shoes to teenagers. You can personalize the document to the hilt—deck it out with text messaging terms, pictures of X-Games, references to all of the contemporary language and culture, but it's still not a relevant message unless the teens need to purchase a birthday present for grandpa.

But what if you could take your knowledge of the make-up of your target audience to change—not just the products you market—but the tone and the message of each piece? To prospects (or customers) in the 20–30 demographic, you might use "hip" -er lingo, incorporate references to texting, IMs, morning Starbucks addictions, or the mobile culture. In the 40s demographic, you might slant the pitch towards the impact of your products



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and services on families and young children. In the 50s demographic, you might slant the pitch toward professional achievement or preparing for retirement.

Now, personalize the document on top of this demographic segmentation and the impact is exponential.

BAZZIK PERSONALIZED LUMPY MAIL CAMPAIGN



Source: PODi Case Study Archive

1:1 printing doesn't have to be flat. Marketers are using it on die-cuts, packaging, and folding boxes, as well. Consider these examples from Bazzik, a lead generation campaign aimed at CEOs and other high-value targets.

3. In each campaign, focus on a single, meaningful segment of your database rather than mailing to the whole list.

In order to maximize your investment in 1:1, it's important to select your list carefully. Unless there is a reason to mail to the entire list, you might want to carefully cull your list for the most likely respondents to each particular offer. This not just reduces the number of mailers, but it minimizes the number of irrelevant and useless mailers that would otherwise be thrown into the trash. You are restricting that investment to the most valuable prospects.

If you are doing a fundraiser, for example, you might want to select only people who have been out of college for at least five years, giving them a chance to increase their earning potential and gain disposable income. If you are a retailer



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trying to boost end-of-month revenues, you might want to mail only to customers who are in the top 25% spending bracket.

4. Get to know your customers.

The more you know your customers, the better you will be able to develop relevant marketing campaigns. When the National Hockey League committed to developing 1:1 communication with its customers, it asked them to fill out a survey that indicated, among other things, where they lived and their favorite hockey team. It discovered that 40% of its fan base lives outside their favorite team's home market. That means these fans can't easily go to games or access highlights. Imagine the opportunity for the league!

A good question to ask yourself is what you don't know about your customers now that might allow you to create relevance in a more powerful way? You'll only know by asking. Do a customer mail or email survey. Conduct a focus group. Set up survey forms on your website.

If you already have a detailed customer database, invest in data analytics. Who are your 10% by frequency? Volume? Margins? What do these customers look like? By identifying what they have in common (age, income, marital status, purchase habits), this can increase the precision of your targeting. It can pay dividends in prospecting, too. If you know what your best customers look like, you can match the purchased list to that profile.

5. Pre-fill any forms involved in the campaign.

If your campaign involves response forms, pre-fill them with as much information as possible. This is information you likely already have, and by doing so, you remove yet another barrier to response. Split tests on mailings with pre-filled and un-filled forms consistently show that, even without any additional personalization, this can bump up response rates.

6. Provide multiple response mechanisms.

Not every segment of your customer base wants to respond the same way. Give them multiple response mechanisms — phone, tear-out forms, personalized URLs, Web links, even QR codes — depending on the target audience.

7. Invest in the database.

Make investing your database a priority. It takes time, dedicated resources, and manpower, but in terms of marketing, this is one of the most important capital investments you can make. Develop a basic database, then make the investment in refining it, adding variables, updating, cleansing, and so on. As you gain information about your customers through 1:1 marketing, don't let that data go to waste. Make sure that data goes back into your database to be used in future marketing programs.



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8. Evaluate the cost of the programs differently

In order to benefit from 1:1 printing, marketers need to think in new ways and evaluate the success of these marketing programs differently than they have in the past. Cost per lead, cost per response, and ROI are an entirely different language, but this is a language that, if marketers want to be profitable, they need to learn.

The University of Toronto, for example, slashed its mailing database by 50%, then personalized its communications. The results? The university's actual donor base increased by 80% and its revenue jumped by 30%. Meanwhile, its costs actually *dropped* by \$16,000. This same concept can be applied across many 1:1 applications. Yes, there is a database and program development cost, but it's important to analyze in light of the return.

9. Compare apples to apples—look at all of the costs.

As you evaluate the success of your campaign and compare its costs and cost-effectiveness to other campaigns, make sure to take everything into account. There are lots of hidden costs in any campaign, so be sure to include all of the costs, both for 1:1 printing and its competitors.

You must look at...

- Demographics of prospects
- Size of prospect market
- Marketer budget
- Design costs
- Print costs
- Database clean-up and prep costs
- Postal rates and discounts, if applicable
- Total program cost
- Per-piece cost
- Response rate
- Conversion rate
- Dollars generated per sale
- Return on investment

Marketing is a complex business. It's a lot more than it appears on the surface. If you don't take into account all of the variables, it's easy to end up making the wrong choices.



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10. Measure everything, both costs and results.

Few marketers are disciplined about measuring results. What kind of return did you get on that direct mailing? That TV commercial? That magazine ad? Most marketers have no idea.

Before you can truly evaluate the success of 1:1 printing against other campaigns, you need to track and measure everything along the way. Be sure to build in bar codes, redemption codes, or other mechanisms so you know who responded and when. Track your conversion to sale and per order sales. Many retailers, in particular, lack tracking mechanisms at the point of sale, so critical measurement data is lost.

Be sure to track your costs, as well. How much did it cost to manage the data? Design? Print? Mail? Fulfill? Were there additional prepress costs or print production costs involved? Only once you fully track all of your costs and accurately track your results can you determine and compare ROIs.

11. Use data wisely—respect privacy

The ability to personalize documents offers a lot of opportunity, but it has to be used wisely. For example, say you have a database of new births. Over time, this gives you knowledge of the names of parents and the ages of their children. What could you do with this information?

You could send a postcard saying, "Hello, Jane Smith at 144 North Gate Road, we hear that your precious daughter, Emma, is turning three today!" Instead of getting a sale, however, you are more likely to get an irate parent showing up at your office, threatening to remove your kneecaps because you have just invited a stranger to show up on his lawn with a bunch of balloons. A better use of this data is to create relevance without over-personalizing. You might send a postcard saying, "Got a Special Day Coming Up?" offering deep discount on toys appropriate to the age of the recipient's child.

Remember that it's not about how much "personalization" you can cram into the space. It's about the most effective, most appropriate use of information to increase relevance. Sometimes that might mean that the recipient knows that you are personalizing directly to them. In other cases, such as providing discount coupons on age-appropriate toys, they don't.

12. Test everything.

Just because something is personalized doesn't make it relevant. Make sure that, if you are going to spend the money on creating personalized variables, they are variables that will benefit the program.

How do you know that? Through testing. For example, if you are marketing automobiles, it may not matter a whole lot if you show a picture of a man or a



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woman behind the wheel. Time and energy spent swapping out such images might be money thrown out the window. It might be much more useful to pair an image of a minivan to recipients who have children or hybrid compacts with recipients in areas known for environmental sensitivity, regardless of gender. It's about relevance.

13. When you test, use control groups.

When you test using control groups within the same program rather than comparing to previous programs. This way, you are doing an apples-to-apples comparison. Otherwise, there could be other variables (timing, economic conditions, seasonal variation, database shift) that could be impacting the results.

Say you decide to change up your messaging and increase the size of your postcards from the standard 4.25x6" to an oversized 6x8.5". Your response rate goes up 8%. What caused the increase? The change-up in messaging? Or the increase in postcard size? Increasing the size of the postcard adds cost, both in print and postage. Changing up the messaging might not. It's important to know what percentage of your mailing was influenced by each variable.

14. Utilize the benefits of multiple media.

Remember the old saying about it being easy to break a single stick, but difficult to break a bundle? The same concept applies to multi-channel marketing. Programs that use multiple media to reinforce a message are generally stronger than programs that rely on a single medium alone.

In many cases, 1:1 print programs are followed up with personalized email or SMS text messaging. Conversely, prospects might be sent to a website, where they input information and are sent a personalized print follow-up piece based on the information they provided.

The industry is ripe with examples of how well this works. For example, it is well documented that catalog retailers whose customers are multi-channel customers buy more. According to a study conducted by comScore Networks and commissioned by the U.S. Postal Service, catalog recipients purchased 28% more items and spent 28% more money than their non-catalog counterparts. The study also noted a revenue lift of 163% for websites supported by catalogs as opposed to those that were not. Sending catalogs more than doubled online sales. Plus, catalog-based revenue was more than two times greater than revenue realized from recipients of only online communications.¹

So if you're focusing on a single medium only, double up!

¹ "USPS Research Shows Direct Mail Drives Online Sales,"
http://www.usps.com/communications/news/press/2004/pr04_047.htm.



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Conclusions

1:1 printing is no longer an experimental marketing technique. It is proven marketing approach with a long track record.

If you haven't produced a 1:1 printing job, consider getting off the sidelines. Even if you just do a test—a small percentage of your overall database—give it a shot and see what happens. Play with it a little. The costs have become very reasonable, and there are large number of experienced practitioners young for your business. With such a wide range of options available, it makes sense to at least give it a test drive and see what opportunities it might open for you.

Like this white paper? Check out the following full reports

“Digital Printing: Transforming Business & Marketing Models”: Digital printing is more than outputting short-run documents on a digital press. It has profound implications for the document management and marketing models of businesses of all sizes. A look at the technology, applications, and business model changes supported or impacted by this technology.

www.digitalprintingreports.com/marketer_primers_digital_print.htm

“Personalized URLs: Beyond the Hype”: There is a lot of hype surrounding Personalized URLs these days, but once we move beyond the hype, what makes these applications tick? What are the best practices that marketers should embrace? This report analyze the dynamics of this marketplace, with conclusions drawn from real-life case studies from the earliest days to the present, and provides a no-nonsense look at the real deal behind these popular applications.

www.digitalprintingreports.com/marketer_primers_purls.htm

“1:1 (Personalized) Printing: Boosting Profits Through Relevance”: Today's digital printing technologies enable print to be personalized to every recipient, much the same way Internet “cookies” enable Web pages to be personalized to every shopper. This report looks at the best practices of this marketing approach, a plethora of examples of the various types of personalized printing, and factors critical to success.

www.digitalprintingreports.com/marketer_primers_1_to_1_print.htm



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“Web-to-Print / Web Commerce: Transforming Document Management and Marketing”: Like digital printing, Web-to-print does more than take print ordering online. It facilitates fundamental changes in document management and marketing that can radically change business and marketing models. In addition to production efficiencies, Web-to-print facilitates closer relationships with customers and the ability to customize and personalize documents faster than previously thought possible.

www.digitalprintingreports.com/marketer_primers_web_to_print.htm

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About Heidi Tolliver-Nigro

Heidi Tolliver-Nigro has been a commercial and digital printing industry analyst, feature writer, columnist, editor, and author for nearly 20 years. She is known for her meticulous research and no-nonsense perspective. Her Marketer's Primer series is well respected for its comprehensive, authoritative, and always up-to-date approach to critical industry topics.



Heidi's experience is drawn from having written thousands of industry articles for top industry publications. She was also one of the faces of the well-respected industry research firm The Industry Measure (TrendWatch Graphic Arts) before its closure in 2007. In her more than 13-year tenure with the firm, she wrote countless reports on digital printing, 1:1 (personalized) printing, Web-to-print, personalized URLs, and other hot industry applications.

Heidi Tolliver-Nigro is currently a paid blogger for The Inspired Economist and Wausau Paper on "green" topics related to print marketing. She is also a regular contributor to What They Think and its blog Digital Nirvana.

She is also a long-time contributing editor and columnist for *Printing News*, for which she writes two monthly columns: "Personal Effects," which features monthly analysis of 1:1 (personalized) printing case studies, and "Creative Connection," which seeks to bridge the gap between creatives and print production on issues related to print production, document management, and marketing.

Heidi Tolliver-Nigro is the author of three titles for the National Association of Printing Leadership: *Designer's Printing Companion*, *Ink & Color: A Printer's Guide*, and *Diversifying Via Value-Added Services*.

As a small, niche publisher (Strong Tower Publishing), she is also active in utilizing these technologies in her own business.