



White Paper

Marketer's Primer Series: 1:1 (Personalized) Print: Boosting Profits Through Relevance

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MARKETER'S PRIMER SERIES:
1:1 (Personalized) Print:
Boosting Profits Through
Relevance

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INTRODUCTION

Analyst's note: I have been watching the growth and development of 1:1 printing (or personalized printing) applications since their inception in the mid-1990s. While the observations in this report are not intended to be an exhaustive look at all of the issues related to 1:1 printing, they are intended to provide a broad compendium of the issues and areas of application of the most importance and immediate relevance to the average marketer. — Heidi Tolliver-Nigro

It's a tough marketing world out there. The media mix is fragmenting. Marketers no longer have the freedom of worrying 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 continue to splinter, consumers expect to be targeted on a demographic, even individual, basis.

At the same time there are more places for companies to spend their marketing dollars, those dollars that are being spent are coming under closer scrutiny. Marketers are increasingly called onto the carpet to justify their spending decisions. With the turmoil in the financial markets and the "r" word looming on the horizon, every decision becomes that much more critical.

Fortunately, while the media and the economic environments change, the fundamental rules of marketing don't. Good marketing requires sending the right message to the right target audience at the right time. There are just more factors to consider in the process.

There has been some question about the role of print in this increasingly electronic world. When you can zap a marketing message to someone's cellphone at the precise time and place the marketing message is relevant to them, when customers can log into their favorite online retail site and be greeted with personalized recommendations based on their past purchase history, where is there a role for a "stodgy" old medium like print? In today's electronic, mobile world, is print even relevant anymore?

The answer is yes, but not the way you might think. Although we tend to think of on-demand access to information and highly responsive (even real-time) marketing and down-to-the-individual personalization as the realm of wireless and the Internet, we can do the same thing with print. Yes, print! Plus, print has a tangibility, credibility, and appeal the Internet does not offer.

In this report, we will talk about the role of 1:1 printing in increasing the effectiveness of your marketing program.



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- Section 1 looks at the driving factors behind 1:1 personalization.
- Section 2 looks at 1:1 printing basics, including the technology that drives 1:1 capabilities, examples of complex and simple 1:1 printing, and the benefits of using the 1:1 approach.
- Section 3 looks at the ways to evaluate the success of personalization, including measurement techniques and hypotheticals for static/1:1 print programs.
- Section 4 looks at different classifications of 1:1 printing: technology and application. It also provides a detailed breakdown of associated costs.
- Section 5 looks at three case studies in each of the application categories to reflect “best in class” examples of how 1:1 printing is used.
- Section 6 looks how to maximize your advantage through best practices of 1:1 print.
- Section 7 draws important conclusions for marketers and provide additional resources that may be useful to you.

Welcome to “1:1 (Personalized) Printing: Driving Profitability Through Relevance,” part of the Marketer’s Primer Series.



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SECTION 1: PERSONALIZING THROUGH PRINT

The ability to use print to target businesses and consumers on an individual basis starts with technology. As discussed in the digital printing primer, “Digital Printing: Transforming Business and Marketing Models” (also part of the Marketer’s Primer Series), today’s fully electronic printing processes allow marketers to do things their offset predecessors couldn’t.

The Role of Digital Print Technology

Digital printing technology is based on the same principles as copier technology, but more robust and near-offset quality. For many production presses, the output is so offset-like that the average marketer would not be able to tell the difference.

Not only is the quality production-grade, but it gives marketers the ability to make each page 100% different from the next. This means full-color print and graphics can be driven by databases in much the same way that transactional data (phone bills, utility bills) are driven by them. This combination of database-driven marketing and commercial-quality output lets marketers create direct mail, brochures, and other marketing collateral that communicates with customers on an individual basis. Full-color 1:1 print can also be cost-effectively produced in runs of 5,000, 1,000, 100, or even one. This opens the way for demographic and even micro-targeting on a much smaller scale.

Imagine being able to send out 1,000 postcards to your best customers, offering them special deals based on their past purchase history. You can vary the offer, the discount, the graphics, and even the pitch based on something you know about each person. Marketing is now based on relevance rather than volume, bringing print into the fold of true relationship marketing.

For a look at the vast array of digital presses on the marketplace, from the number of colors they offer to the substrates on which they can print, see “Production Digital Press Specs: At a Glance” (www.theindustrymeasure.com/report/158), soon to be updated and available on the Digital Printing Reports site, as well.

Don't Be Afraid of Databases

One of the factors that has traditionally scared marketers away from any kind of database marketing, print or otherwise, is the database. How many marketers have great customer databases for use in 1:1 applications? For many, the very thought creates marketing paralysis. But even this is becoming less of an issue.

Purchasing and managing databases for personalized marketing used to be the domain of high-priced specialists. Today, print shops creating and producing 1:1 applications have developed their own in-house expertise. Many offer database development and management capabilities within the budgets even of small and mid-sized marketers.



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For example, did you know that you can purchase a good mailing list of 5,000 names for a little more than \$100 these days? For an extra \$25 or so per thousand, you can refine the purchase by gender, income level, or other demographic relevant to your business. Whether you are a retailer, nonprofit, or product manufacturer, this is a tremendous starting point for just about any 1:1 printing program.

1:1 personalization also allows you to turn generic mailing lists into prequalified prospect lists very quickly. You might try sending out 5,000 postcards to a list of prospects, asking them to log into a personalized URL (or personalized Internet landing page—PURL [see Section 4]) in exchange for an appropriate offer (gift certificate, free gift, entry into a sweepstakes). There, respondents are asked to take a survey that provides you, the marketer, with more information about them and their business, their needs, and product preferences. This data is appended back into the original database to improve your targeting next time.

Whether it's PURLs or something else, 1:1 printing specialists have developed expertise in helping their customers develop databases very cost effectively. Because their ultimate goal—in terms of their own business model—is to win your creative and print production business, they often provide these services at lower-than-market pricing as part of the package.

Designing for Personalization

The same issue exists with creative. Nearly all 1:1 print providers provide their own design services, so you aren't going to need to spend big bucks on an outside graphic designer or agency (unless you want to). 1:1 printers aren't just training CSRs to use template design programs. They have brought on staff real talent. These are not just *any* designers, however. They are designers who have developed expertise in optimizing for personalization.

This is important because there are many factors that only a designer with this experience will know. For example, when you are incorporating the name of the person into the text or design, you must adjust the design so that it will accommodate the name regardless of length. A design that accommodates the name "Jane" may not accommodate "Rumplestiltskin." There are myriad issues like this, so whoever is designing the piece must be aware of them and have a plan to accommodate them.

This is not to say there aren't independent designers with this same experience. There are—there are just fewer of them. Working with the 1:1 printer directly is often the most practical approach.

Who's Doing 1:1?

Who's doing personalization? If you experiment with these applications, will you be venturing out into the great unknown?

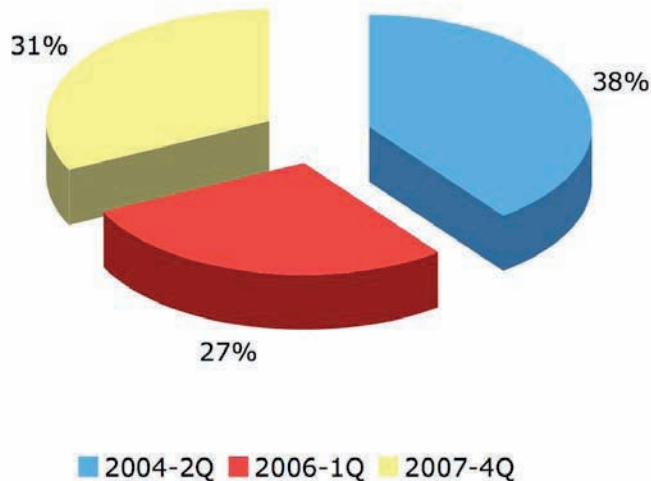


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No. These applications are being produced every day, in the tens of thousands and even the millions. Not just by large marketers, but by small ones, as well. In April 2008, the Print on Demand Initiative case study database was updated with a report from a small sole-proprietorship, Quality Lawn Care, sent out a mailing of 300 to great effectiveness—an ROI of 8000% on a LCV basis.

On a per-piece basis, the cost for 1:1 printing is higher than static direct mail. (Although there are 1:1 printers charging less than \$.40 for direct mail postcards, including postage.) But when you look at overall program costs, they can actually be lower than your original direct mail program. In fact, done right, you can actually spend less on print and bring in more revenues. In Section 5, we include a case study of a chain retailer who gained \$200,000 in sales (after discounts) on a total project cost of only \$3,400.

HAVE YOU WORKED ON PERSONALIZATION, CUSTOMIZED, VARIABLE DATA, OR OTHER TYPES OF TARGETED PRINT JOBS IN THE PAST 12 MONTHS? (CREATIVES FIRMS)



Source: IM *Design & Production* Historical Database



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This, combined with the fact that print providers are becoming more adept at helping marketers develop the databases necessary to drive these applications, means that 1:1 print marketing is no longer restricted to big businesses with IT departments and large marketing budgets. With the introduction of small-footprint, fully electronic presses, 1:1 print has become accessible even to small and mid-sized marketers.

While data speaking to the percentage of marketers doing 1:1 printing is hard to come by (if it even exists at all), according to a recent survey from The Industry Measure (*IM Printing #24*, Fall 2006), nearly half of all commercial printers (47%) now produce some kind of 1:1 printing, whether in color and black-and-white. According to IM's recent survey of the creative markets (*Design & Production #23*, Summer 2007), nearly one-third (31%) of all creative firms have produced a 1:1 personalized print job in the past 12 months.

You can rest assured that, in producing 1:1 marketing materials, you won't be venturing into the great unknown. You will be adopting a proven marketing approach with a solid track record. If you select your print supplier carefully, you will have a seasoned partner with valuable expertise that you can draw on to produce the most successful campaigns.



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SECTION 2: 1 TO 1 PRINTING BASICS

By deploying the 1:1 printing applications made possible using today's commercial-grade digital presses, marketers can overhaul their marketing programs and achieve results not possible with static printing technology. Marketers have been refining the 1:1 print marketing technique for more than a decade. Done right, the results have become consistent and predictable.

Evidence for this can be found in many places—in industry seminars and webinars, in the trade media, and in case study archives of industry associations and support groups like the Print on Demand Initiative (which maintains the largest database of digital printing “best practices” case studies, including 1:1 printing). Increasingly, case studies can also be found on the websites of 1:1 print providers themselves, many of which maintain growing archives of successful 1:1 programs they have produced.

Defining 1:1 Printing

But what *is* 1:1 (personalized) printing? What makes it so great?

1:1 printing is the production of printed pieces driven by the information in a customer or prospect database. This allows these pieces to be personalized to every recipient. In the old days, the best “personalization” marketers could do was salutation and mail merge, typified by “Dear Bob” on a Publishers Clearinghouse letter. It was possible to produce 100% personalized documents, but they were restricted to the black-and-white environment (like insurance letters) or transactional environment like phone or utility bills.

Starting in the mid-1990s, however, PostScript-based, full-color digital presses changed all that. A digital press utilizes an electrostatic (or, in some cases inkjet) process, rather than offset. The technology is very similar to that used in color printers and copiers, except that it is far more robust and the imaging is optimized for commercial production. With the introduction of these presses, marketers became able to combine the database-driving power of digital printing with the full-color graphics of PostScript presses. This enables them to produce fully personalized documents in brilliant color, with personalization that includes full-color photographs, charts, and graphics.

In the 1:1 process, the designer leaves place markers for variable fields to be filled in on the fly. So the text of a marketing message might look something like this:



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Dear <<name>>,

You've been a great customer for <<years>> and we appreciate your business. During the week of March 10–17, we'd like you to take advantage of a <<discount>> to buy <<purchases>> or whatever else tickles your fancy. Buy what you want. We just want to say thank you!

During the production process, the software uses the information in the database to populate the document with the appropriate text, offer, images, and other fields on the fly, all based on rules set up by the marketer. For example, if Bob has spent \$100 or more with the company in the last 12 months, he might get a 10% discount. If he has spent \$500 or more, he might get a 15% discount. The information in the <<purchases>> field will be populated by the products that Bob purchases most often. The discounts for Sally, Jim, and Emma will be different, based on their purchasing patterns. The data populating the marketing pieces will differ based on each person's demographics or past purchase histories.

More Complex Forms of 1:1

A great example comes from First Market Bank and Ukrop's grocery stores. The two companies worked together on a customer loyalty program benefiting both. They revamped their static customer rewards letters to include personalized information.

As part of the redesign, the trifold mailer opens with a personalized letter that says something like, "Dear <<name>>, it's time to enjoy the rewards of being a First Market Bank customer. Attached below is your Market Share Reward of \$<<dollar amount>> for the period of <<statement period>>, redeemable for free Ukrop's groceries. During this period, you earned <<amount>> bank points and <<amount>> grocery points."

In addition to this customer letter, the mailer features a personalized sales panel that includes varying bank offers based on customer behavior; a panel where the customer's points are tracked and reported; a personalized behavioral message based on points (for example, a customer may need only 10 more points to earn the next level of gift); and 11 different coupon possibilities, including Ukrop's coupons, First Market Bank coupons, and special coupons for teachers. All fields are populated on the fly based on customer behavior.

The results? Right away, First Market Bank found that...

- Market share members averaged one extra store visit per week than regular loyalty program customers.
- Market share members spent 11% to 17% more per week than those in the regular program.



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- Customers who were not earning rewards were sent a personalized postcard reminder and 7.8% changed their behavior and earned a reward the next quarter.

This program has been running for nearly a decade now. Over that time, voucher response rates continue to range from 27% to 86%.

SAMPLE: FIRST MARKET BANK – UKROP'S CAMPAIGN



Above is a sample page from the 1:1 transpromo campaign produced by First Market Bank. Notice that this particular image was comes from a mailing in 2004. The campaign itself is even older, reflecting a long-term benefit from using 1:1 in transpromo documents.

Simple Forms of 1:1

Marketers don't have to create documents of this level of sophistication in order to be successful. Even something as simple as a rented mailing list can work well if the marketer uses the information to create relevance.



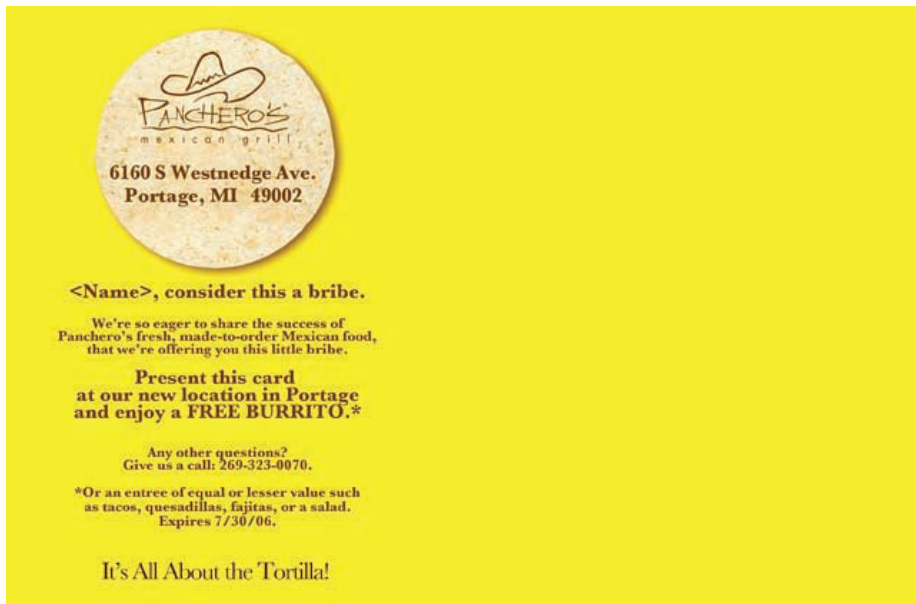
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Take the example of Pancho's, a Mexican restaurant chain. It wanted to more aggressively promote the opening of its new stores, but it had nothing more than a rented list. Instead of settling for static mailers and mail merges, however, it used the information it had in a highly relevant way. It identified a target median income and geographic region (a certain radius around each new store) and qualified its list by these variables. Then it used a mapping program to identify each recipient's exact distance from the new location, which it titled "the best burrito in [recipient's city]." Recipients were invited to bring in a coupon and travel the 1.8 miles, .3 miles, or however many miles they lived from the new location, for a free sample.

Over the years, the nationwide response rates to the campaign have ranged from 6% to 12% (with larger cities having slightly lower redemption rates than smaller ones). On average, redemption rates hover close to 10%.

This approach will not work for every marketer, of course, but for the right applications, mapping programs can turn the most basic data into a highly effective marketing tool. A similar approach is to calculate driving times or create on-the-fly maps to a store or event.

SAMPLE: PANCHERO'S BENEFITS FROM MAPPING



Front of the postcard for the Pancho's campaign described above. Great illustration of how even name and address can be enough to create relevance for the right campaign.



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What if your application isn't served by mapping or distance calculators? Small 1:1 print providers can offer up lots of ideas to help you make use of even the simplest mailing list. You could use a genderizing program to separate out male and female recipients, for example, and then segment the program by gender (creating separate appeals for male and female recipients) and personalize them for further effect. Or you could use some of today's outrageous fonts to capture attention by spelling out a person's name in birthday cake icing or in flower petals in the spring. Does this create relevance? Not really, but it might cause the recipient to look long enough to see the pitch. That counts for a lot.

1:1 Printing and Cost per Piece

Another benefit of digital printing is not just the ability to personalize, but the ability to do it at any run length without impacting the cost per piece.

This allows customization and personalization on a mass scale. Plus, like color copiers, the per-piece cost is constant, regardless of the length of the run. This means you can do a 1:1 print run in any length with no price penalty. You can do a fully personalized test run of 100 pieces. You can do a full production run of 500, 10,000 or 15,000 pieces. You could do a massive print run on a high-speed inkjet press (like Kodak VersaMark) of 500,000 or one million pieces.

The implications are significant. No matter how large your market, you can target your customers as finely as you can slice your database. Since targeted mailings lists are increasingly economical to purchase, you can start building a good database even on a limited budget.

Benefits of 1:1 Personalization

What are the primary benefits to personalization? Some are obvious. Others are not so obvious.

Increased response rate. The number one benefit to 1:1 print is to be expected—increased response rate. The typical response rate for a static direct mail is 1–1.5%. Personalized direct mail can dramatically increase this rate, with rates of 8%, 12%, or even higher for well-design campaigns. The actual lift will depend on the type of campaign. Like loyalty programs and fundraising programs have much higher response rates than initial prospecting campaigns.

Higher per-order revenues. Not only do response rates go up, but when customers respond to a 1:1 marketing program, they often spend more. This is proven out in side-by-side tests. When West Coast Marine wanted to boost end-of-year sales, for example, it created both static and personalized mailers, with both sent to the same mix of its loyalty program members. Not only did the 1:1 mailer have a 27% lift over the static mailer, but respondents to the 1:1 promotion had a higher per-order value than those who responded to the static promotion (West Marine did not disclose the static amount). As another



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example, look at the First Market Bank program cited earlier—Market Share members averaged one extra store visit per week than regular loyalty program customers and spent 11% to 17% more.

Ability to track and prove ROI. Although marketers have used barcodes, redemption codes, and other techniques to track responses for years, 1:1 printing offers the ability to track and prove ROI at a far different level. The 1:1 nature of these jobs enables marketers to track responses far more minutely and for the lifetime of the customer, if they want. Moreover, with the greater value in the 1:1 marketing program, building in tracking mechanisms has a higher value of return. If they are using PURLs, they have the benefits of online tracking and measurement. It's page by page in real time.

Save money. When we think about “direct mail,” we usually think about the “print ‘em in the millions” flyers or prospecting letters that most consumers throw away without even opening. With response rates averaging 1%, you have to print huge volumes to generate enough responses even bother. Not surprisingly, most small and mid-sized businesses *don't* bother. But what if you could mail fewer pieces and get a higher rate of return? This is standard practice with 1:1 printing. In the end, marketers can end up spending less on their print marketing while bringing in more revenues. Not a bad trade! We'll talk about this more later.

Building customer loyalty. It is a well-known fact that it is more profitable to keep the customers you have than to go out and find new ones. Hence the profitability of customer loyalty programs. Consistently, companies with long-term, successful 1:1 printing programs find that their customer loyalty increases using them. In fact, when Gannett Co., Inc, a major media company, wanted to bolster its new customer retention rates, it used a combination of personalized print and e-mail to achieve over 20% ROI and boost 13-week retention rates an average of 13.7%.

1:1 printing is “green” printing. Today, environmental printing is not just good social responsibility, it's good marketing. Companies with “green” programs have a marketing advantage through positive association. How is 1:1 printing “green”?

- 1. It reduces postal waste.* High percentages of junk mail never reach their destinations because the focus is on cheap, not accurate. This wastes astonishing numbers of trees. It also wastes fossil fuels to produce the paper, envelopes, and the ink and coating, as well as to run the presses and distribute the documents to the trash can.
- 2. It reduces trash can waste.* Even if documents reach their destinations, most direct mail is thrown away before it's opened. So the result is the same—wasting precious environmental resources. By personalizing, you



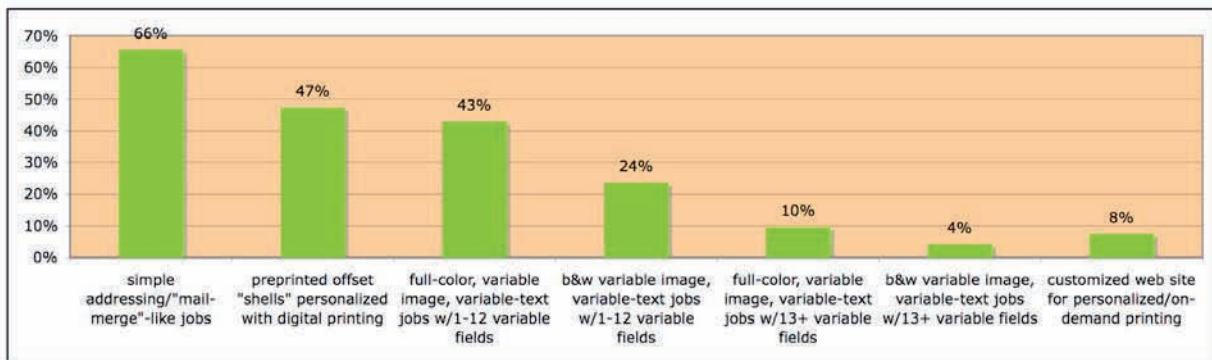
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are increasing the chance that your mailer will be opened. Even if it still ends up in the trash, at least it got read first.

3. *It reduces overall print volume.* Effective personalization often starts with culling the database for the most likely respondents. This reduces the number of documents that get printed, mailed, and delivered at the outset. If you replace a large, static mailing package with a streamlined, personalized version, you may also be reducing the number of pages you send (see “Digital Printing: Transforming Business and Marketing Models,” also part of the Marketer’s Primer Series).

So, yes, 1:1 printing is “green.” Instead of using the “throwing spaghetti at the wall and seeing what sticks” approach, you send out smaller, more environmentally friendly volumes. Not only are you helping the environment, but you are increasing the effectiveness of those programs at the same time.

HOW SOPHISTICATED ARE YOUR 1:1 PRINT JOBS? (COMM’L/QUICK PRINTERS)



Source: IM Printing #24 (Fall 2006)

It has been said that, while digital printers are capable of doing 1:1 printing jobs, few are actually doing what we think of as “true” personalization. Yet, even in 2006, 43% of printers who said that they had produced a 1:1 printing job in the past 12 months indicated that those jobs were full-color variable-image, variable-text jobs with 1–12 fields. This doesn’t mean that they are producing a lot of jobs, or even that they are producing them well. It does mean that the penetration of this capability has gone deeper than many people realize. If you’re looking for a capable 1:1 printer, the pool of candidates from which to choose is plenty deep.



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What About Databases?

For marketers, one of the biggest challenges of 1:1 marketing isn't the concern about whether or not it works. It's databases. Unlike 1:1 online marketing, where the movements and habits of individuals can be tracked fairly easily, print marketing requires the purposeful, intentional creation of an online database of customer (or prospect) demographics, purchasing patterns, preferences, and the like.

Even if marketers don't have such a database, this doesn't remove 1:1 print marketing from the equation. Print providers are becoming increasingly adept at helping customers maximize their existing data (which can often do more than they think), purchase and append mailing lists, and build databases from scratch, even for smaller budgets.

For example...

- Mailing lists are increasingly affordable, and for \$25 or so per 1,000, you can add demographic qualifications, such as income level, general interests, and age. This provides a great starting point for any 1:1 print marketing program.
- Even if all you have is an undifferentiated mailing database, you can still use specialized software like genderizing and mapping programs to create relevance. Mapping programs help to create relevant marketing pitches based on the recipient's geographic location or distance from a location or event.
- 1:1 print providers are increasingly adept at helping customers to create relevance, even from the most unlikely sources. One 1:1 marketer created his own algorithm for calculating recipients' mortgage payments and how much they could save by refinancing—all based on information in public records. Then he did a highly successful mailing for a mortgage broker that reaped millions.
- 1:1 print providers can also help you purchase a database or append an existing database by smart selection of third-party data.
- Creating a loyalty program is a very effective way of building a database of customer preferences and spending habits, while at the same time allowing you to reward customer behavior.
- You can use PURLs to send recipients to their own, personalized Web pages, where you can survey prospects, qualify them, and gather additional information to be used for future marketing campaigns. This information can be automatically appended back into your database.



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Developing a customer database sounds complicated and expensive, but cost-effective techniques are being refined all the time. This is by no means an exhaustive list of possibilities, and if you are working with the right print provider, its experts can help you walk through the options to find one that works within your needs and budget.

Focus on Personalized URLs

Let's take a minute to talk further about personalized URLs, since this technique may be unfamiliar to many marketers. What's particularly relevant here is that while we tend to think of 1:1 printing as being *based* on databases, these programs are also helpful for *building* them. This is because each campaign can be used to gather more information that can be appended back into the original database to be used for more precise targeting.

Say the program is for GreenThumb Landscaping. It rents a list of homeowners within a 20-mile radius, with each homeowner making at least \$100,000 per year. It sends out a four-color mailer featuring an outstandingly landscaped yard and inviting recipients to log into a PURL to see if they've won a free landscaping design consultation and \$500 worth of landscaping services.

Each recipient's mailer is printed with his or her own unique URL—www.greenthumblandscaping.com/marshagraves or www.greenthumblandscaping.com/bobpearson. When they log in, recipients are greeted by name and asked to take a short survey before finding out if they've won. The survey includes questions to help the landscaper with prospecting, such as whether the homeowner plans to do any landscaping in the next six months, 12 months, "eventually, but we don't know when," or not at all. They might be asked what kind of yard they have (primarily shade, primarily sun, part shade/part sun), what types of plants they prefer, and whether or not they would agree to follow-up contacts from GreenThumb Landscaping.

This gives GreenThumb an extremely well qualified prospecting list and, with knowledge of prospects' landscaping needs, allows the company to refine its marketing efforts and prioritize its leads.

In the meantime, recipients learn whether or not they are winners in the sweepstakes. They can also browse GreenThumb's Web site, where their online behavior can be tracked. Which pages did they click on? How long did they stay? What kinds of services did they seek more information about? All of this is important, not only for prospecting, but for helping GreenThumb refine its Web presence.



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SAMPLE: PAGES FROM A PURL CAMPAIGN



Sample pages from a PURL campaign produced by TAG Marketing and Recruiting for Guardian Home Health Care designed to reduce the cost per hire. Over a 16-month period, the campaign attracted more than 5,500 qualified candidates in 45 markets. Cost per lead has gone from well over \$3,000 (print ads) to less than \$90.



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Because each respondent has his or her own unique URL, this gives GreenThumb the ability to precisely track ROI. How many recipients logged into their PURLs? What percentage of those translated into sales? What was the dollar value of each sale? Was it a one-time sale? Or did they turn into repeat customers?

Most marketing campaigns cannot provide this type of information. Marketers may be able to track the value of a customer once he or she becomes a customer, but with all types of 1:1 printing (not just PURLs), the ability to tie one-time and lifetime sales directly to a specific marketing promotion is marketing gold. It tells you unequivocally how much revenue your marketing dollars generated.

Relevance, Not Volume

Although the whole concept of building a database may sound intimidating, the success of a 1:1 campaign is about the ability to create relevance to the recipient, not the number of variables you have. The level of detail you have to “build” (whether through purchasing it, collecting it, or refining it) can be relatively low as long as the data you *do* have is relevant.

If you are marketing a store opening, for example, all you may need is an undifferentiated mailing list to create relevance. A customer's address and mapping capabilities just might do the trick. If you are a florist, you can do well with a customer's name, age, and gender. If you have birthdays and anniversaries, so much the better. The point is, you can get great ROI even without the “ideal” amount of data. It's not an all or nothing proposition.



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SECTION 3: EVALUATING COST – BENEFITS

Some marketers might think, “Static printing works fine. It’s cheap, I get results, so why spend more on 1:1 printing?” The answer is simple—ROI.

Static direct mail has been a staple for marketers for decades. When it hits the right person at the right time, it can be highly effective. It’s inexpensive and it works, and that’s why marketers keep using it. It’s what we might call the “serendipity factor.” But keep in mind that average direct mail response rates are only 1%. Whether those response rates are higher or lower depends on your target audience, what you are selling, the appeal of your offer, and your timing.

If you can afford to send out tens of thousands of pieces, serendipity might work for you. Especially if you have a generic product that has mass-market appeal. But let’s look at some hypothetical numbers and see how a static and 1:1 printing campaign might stack up. These numbers are not based on inflated “promo” numbers, but are conservative numbers we see in case studies on a regular basis.

Examining Some Hypotheticals

At about \$.10 per four-color piece (over a certain volume, not including postage), a 50,000-piece campaign would cost about \$5,000 to print. If you get a 1% response rate, that would be 500 responses. Those are just inquiries. Now you must turn them into sales. Whether these responses will produce a good ROI depends on what percentage convert to sales and the dollar volume of each sale.

If 30% of your inquiries convert, that’s 150 sales. You just spent \$5,000 on postcards and \$13,000 on postage (less, if you sorted for postal rate discounts), plus whatever you spent on design. So let’s assume the postal discounts cancel out the design costs. That’s \$18,000 total. With 150 conversions, you must receive at least \$120.00 in sales per customer to break even. If you are a health club with gym memberships that cost \$300 each, that conversion is pretty good. If you are selling hiking boots at \$80 a pair, it’s not.

Every marketing campaign is different, and when numbers change even slightly, ROI analysis can change dramatically. Let’s go with the health club example. In this case, starting with 50,000 mailers is too high. In this market, one of the primary deciding factors in choosing a health club is how close it is to where the person lives. In New York City, the radius of prospects might only be a few blocks. In a suburban area, it might be a few miles. Therefore, if you are a health club, you might have 5,000 prospects or less.



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HYPOTHETICAL #1: ROI FOR STATIC DIRECT MAIL CAMPAIGN

Print Run	\$ Per Piece	Total Production & Mail Cost (incl. \$.26 postage)	1% Response Rate, 50% Conversion	Breakeven	ROI
5000	\$.15	\$3050	25 responses	\$7,500	2:1

Now let's recalculate the ROI numbers. If you sent out 5,000 pieces and got a 5% response rate, that's 25 responses. With a 30% conversion rate, that's eight people buying memberships. By printing 5,000 mailers, however, you probably aren't going to get the postcards for \$.10 apiece. Nor will you get the same postal discounts. Let's say you get the mailers for \$.15 apiece. Now, with \$500 in design and the standard postcard rate of \$.26 (\$1300 in postage), you're up to a sale of \$381 per person just to break even. That's more than the cost of the membership. In this case, the serendipity factor is probably not going to work for you.

HYPOTHETICAL #2: ROI FOR A 1:1 PRINTING CAMPAIGN

Print Run	\$ Per Piece	Total Production & Mail Cost (incl. \$.26 postage)	12% Response Rate, 50% Conversion	Revenues	ROI
5000	\$1.00	\$6800	300 responses	\$900,000	13:1

What happens if you personalize the mailing instead? Let's say you spend \$1 per 1:1 mailer and achieve a 12% response rate. The card might say something like, "Bob, why walk three-quarters of a mile to your gym when you can walk right around the corner? Bob's Hot Bodies Gym has everything you need to tone up and muscle out, but it's around the corner and has super-early hours to fit better into your schedule. Check us out and get a 10% discount on your first year!" At a 12% response rate, that's 600 people coming to visit the gym. If even half of those convert, you've just blown your ROI out of the water—13:1.

Can 1:1 save you money?

To some marketers, the idea of higher ROI is exciting, but the idea of doubling or tripling the initial layout isn't. Either the money isn't budgeted or they just aren't willing to risk it, even for a potentially thrilling payout. But in reality, the initial layout for many 1:1 programs may not be higher at all.

Why? Because not every 1:1 program uses the entire list. In fact, many 1:1 programs start with a carefully qualified list of prospects that may be only a fraction of the entire list. You might select out your highest performing customers. You might select customers only within a certain geographic radius, who have a certain shoe size, or whose cars are scheduled for maintenance during a certain period. Thus, you might only be marketing to 25% of your list—or less.



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One direct marketing firm, Digital Dimensions 3, regularly takes the databases of customers used to sending out 100,000 pieces and getting a dismal return (typically .5%—or only 50 inquiries), selecting a mere 100 of those names, and getting 60 inquiries from that list. In this, they take a \$36,000 campaign (\$.10 per piece, plus \$.26 postage) and slash costs by two-thirds (using “lumpy” mail that included premium giveaways) and achieve a 20% *lift*. Imagine what this did for the client's ROI! And this company does this for its clients over and over again.

But you don't have to use lumpy mail and premiums to get great returns.

HYPOTHETICAL #3: ROI FOR STATIC DIRECT MAIL VS. 1:1 PRINTING AT 50% CONVERSION TO SALE

Print Run	\$ Per Piece	Total Production & Mail Cost (incl. \$.26 postage)	Responses	50% Conversion
10,000	\$.36	\$3,600	1%: 100 responses	50 responses
2,500	\$1.26	\$3,150	12%: 300 responses	150 responses

In the hypotheticals cited above, you could start with a \$3,600 static campaign and, based on the typical direct marketing response rate of 1%, bring in 50 responses. Or you could start with a \$3,150 personalized campaign and, based on a typical 12% response rate for a well-executed campaign, bring in 150 responses. This is what digital and 1:1 printing specialist Custom Data Imaging Corporation calls getting “More for Less.” And no wonder.

In order to fully take advantage of 1:1 printing, marketers must start to think differently. They may be used to thinking about print either in terms of extremely high volumes of undifferentiated mailers or shorter runs of targeted mailings—say, breaking the mailing down into different demographic groups—but personalization takes this down to an even more granular level. It speaks to each person individually and changes the dynamics of the cost-benefit calculations completely.

Measuring the Benefits of 1:1 Printing

With these rough calculations in mind, let's take a broad look at some of the most typical methods used for evaluating the success of 1:1 campaigns. They are all used at varying times in the 1:1 printing discussion, so it's important to understand exactly what is being said—and not being said—when each evaluation method is in view.

Response rate. Most of the case studies for 1:1 printing will talk about increased response rates. This is an important first gauge of success, since it gauges how favorably recipients viewed the initial marketing message by picking up the



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phone, redeeming a coupon, or doing whatever else the marketer want them to do. It is not entire sufficient measure, however, because not every lead will convert into a sale, but it is a good first leading indicator.

Cost per lead. Marketers are used to thinking about print marketing in terms of cost per piece, but a more impactful measure is cost per lead, or how much it cost to get each person to respond in some way. For example, if you print 100,000 mailers and get a 1% response rate (or 1,000 leads), at \$.36 per mailer, each lead cost you \$36. If, on the other hand, you print 10,000 mailers and got a 12% response rate, at \$1.26 per mailer, each lead cost you \$10.50. Thus, if you are measuring by cost per piece, 1:1 costs more. If, however, you are measuring by cost per lead, it costs one-third *less*. So whether or not 1:1 printing is more expensive depends entirely on which method of evaluation you use.

Cost per sale. Not every lead converts to a sale, so if the relevance created by 1:1 personalization creates better matches between recipients and the pitch, your conversion rate will often be higher. At 30% conversion, a 1% response rate for static direct mail might end up being .3%. At 50% conversion, a 12% response rate for 1:1 printing might become 6.5%. When you take into account—not just the inquiries—but the percentage of respondents who actually convert to sales, the numbers (and the cost equation) can change yet again.

Revenues per sale. Relevance plays a role here, as well. Better-matched products and services and more engaged respondents are more likely to generate higher revenues than static campaigns. If the average sale to a static campaign is \$100, it would not be unusual for a 1:1 campaign to average \$140 or more. In side-by-side tests, this is born out over and over again.

Lifetime Customer Value. Marketers will often slice and dice databases by the value of the customer—how much they contribute to the bottom line. This is a figure that can be calculated on a sale-by-sale basis, a monthly basis, a yearly basis, or a lifetime basis. Loyal customers who purchase from a company over and over again have enormous lifetime value (LCV), so the loyalty of the customer gained through any marketing program plays heavily into the cost-benefit equation. Granted, LCV is very difficult to estimate, but it's important to keep the issue in mind. Customers gained through 1:1 printing tend, not just to purchase more, but to be more loyal to the company than customers gained through static methods. Thus, the benefits of customer retention must be considered alongside other factors in evaluating the cost-benefits campaign.

Return on Investment. Once you take into consideration all relevant costs and revenues, you can calculate the overall ROI. These numbers are more difficult to come by, since few marketers track their costs as well as they track response rates. When they do, however, the ROI for 1:1 printing is often found to be exponentially



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higher than the lift in response rates. Why? When you take into consideration all of the other metrics—relevance increasing conversion rates, increasing sales per visit or purchase, and lifetime customer value—even a small lift can translate into huge gains in ROI once everything is factored in.



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SECTION 4: TYPES OF 1:1 PRINTING

When we talk about 1:1 printing, we are not talking about a single type of document. We are talking about a large class of documents. Marketers can “personalize” their marketing at varying degrees of sophistication, from a single field to dozens or even hundreds of fields. The lowest level of sophistication is the Publisher’s Clearinghouse letter (“Dear Sue...”). Nobody even bats an eye at this type of personalization anymore.

But what if you got a four-color gift box filled with wildly colored origami fish with your child’s name emblazoned across their backs? Or your automotive dealership sent you a four-color postcard alerting you that your car was about to hit a certain number of miles and offered you’re a 25% discount to bring it in for a tune-up to maximize its mileage? Or a new restaurant was opening in town and sent you a personal invitation, letting you know that it was only one mile from your house, providing you with a map to get there, and giving you a coupon for a free dessert?

Now you’re talking about direct mailers with more punch. Either they speak in terms of greater relevance (like the automotive example—it relates to that recipient, individually, because it’s talking about their car), or if all you know about the recipient is a name, it creates a “wow” factor that holds their attention for that critical extra half-second that just might allow your message to get through.

There are many different types of personalization. Each works for different audiences, different marketing goals, in different ways.

Methods of Classifying 1:1 Printing

There are two over-arching ways to look at 1:1 printing. The first is by production method, which speaks to the overall print production cost. The second is application type, which speaks to the marketing approach. Let’s look at each in turn.

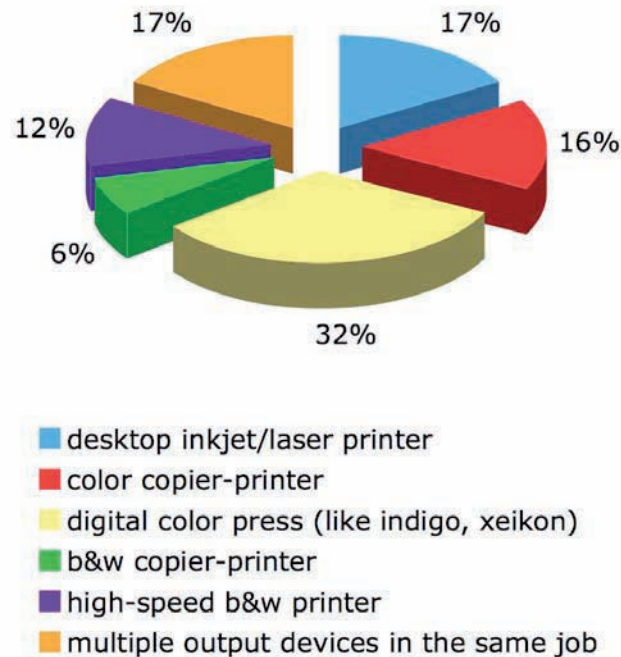
Production Method

Although 1:1 printing requires a digital press, not all digital presses have the same cost structures. There are multiple ways to pull off these applications, each of which has different sets of production costs and cost-benefits.



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WHAT IS THE PRIMARY PRINTING TECHNOLOGY USED TO OUTPUT THESE JOBS? (ALL GRAPHIC ARTS FIRMS)



Source: *IM Printing #24* (Fall 2006)

When the Industry Measure asked 1:1 print providers what types of presses they use to produce 1:1 printing jobs, only 36% indicated using full-color, toner-based presses. The wide variety of production processes used to produce these applications reflects a greater diversity in choices than marketers may realize.

Full-color printing using a toner-based press. The first method is the most recognized because it's the one used in all of the high-profile case studies. That is the use of four-color toner-based presses to produce full-color, production-quality documents like postcards, trifold mailers, newsletters, and so on. In these applications, the entire job is printed on a four-color press.

Black-and-white printing. Although four-color has an important place in the 1:1 marketing world, black-and-white printing actually lays claim to the highest volumes. Black-and-white is not as sexy, but it's less expensive to produce. When combined with high levels of creativity, it can be just as effective. Many nonprofits use black-and-white in fundraising efforts to great success.



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Hybrid printing. Marketers producing higher volumes of documents may choose to create a static four-color shell, then personalize the text portions of the document. In these applications, the four-color shell is produced using offset, then the personalized pitch is imprinted in black-and-white. This can create a powerful combination of color and personalization at a lower cost than using a four-color toner-based press.

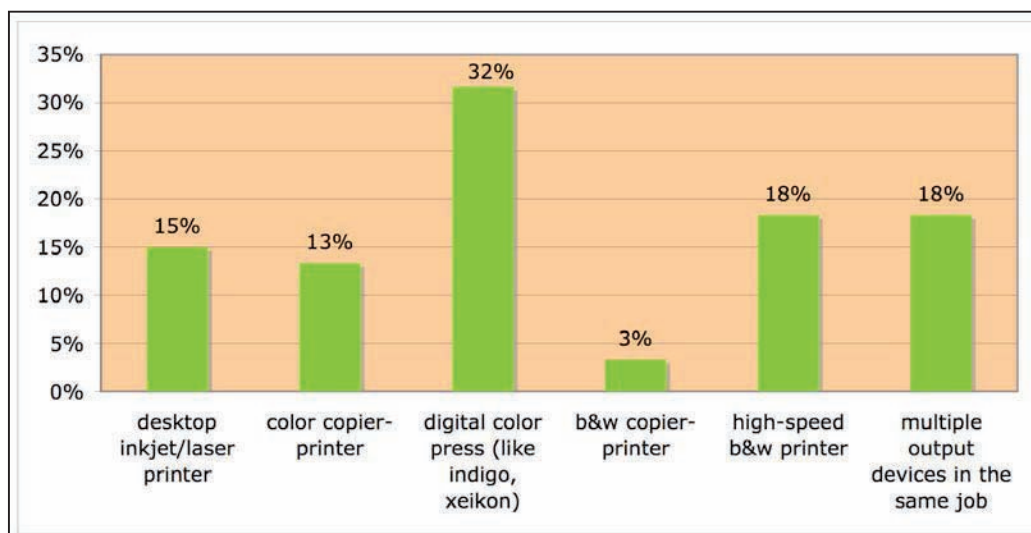
High-volume four-color. For marketers wanting to produce full-color, personalized documents at very high volumes, high-speed inkjet can do the job. These presses offer 300 dpi, which is sufficient for most marketing applications, even if it's not photographic quality. Very high-volume direct mail, transactional statements with personalized marketing messages, and similar applications may want to take advantage of this technology.

Equipment Mix by Printing Segment

As we might expect, different printers (and printing segments) have different equipment mixes, offering a different range of options from which marketers can choose. If you are working with a specialized digital print shop, it might be using a toner-based press most of the time. If you are working with a general commercial printer (or quick printer), it might be relying equally on "light production" devices like production-optimized digital copiers. Let's look at the mix of equipment at various types of printing establishments.

All data is taken from IM *Printing* #24 (Fall 2006).

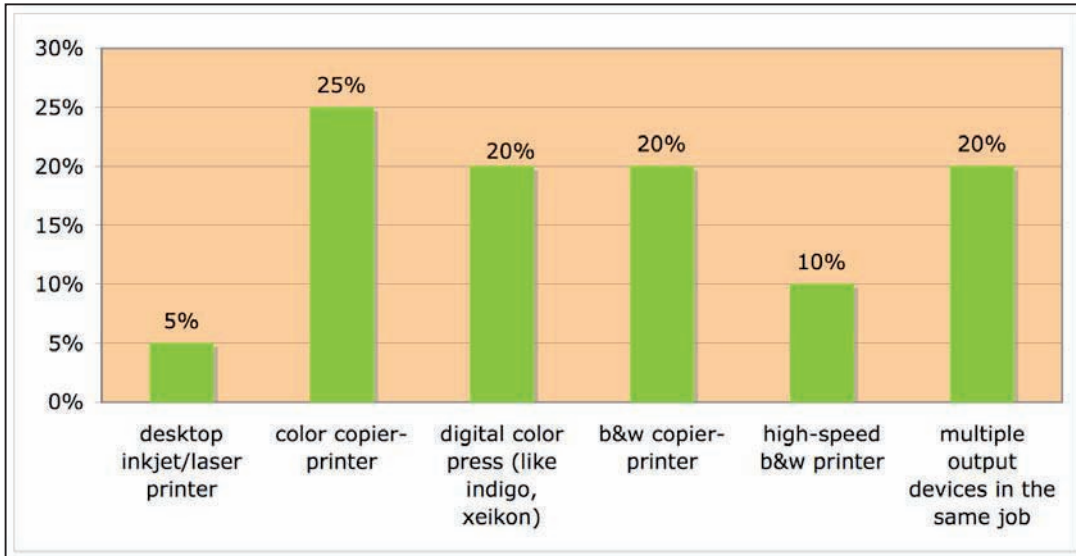
WHAT IS THE PRIMARY PRINTING TECHNOLOGY USED TO OUTPUT THESE JOBS? (COMMERCIAL PRINTERS)



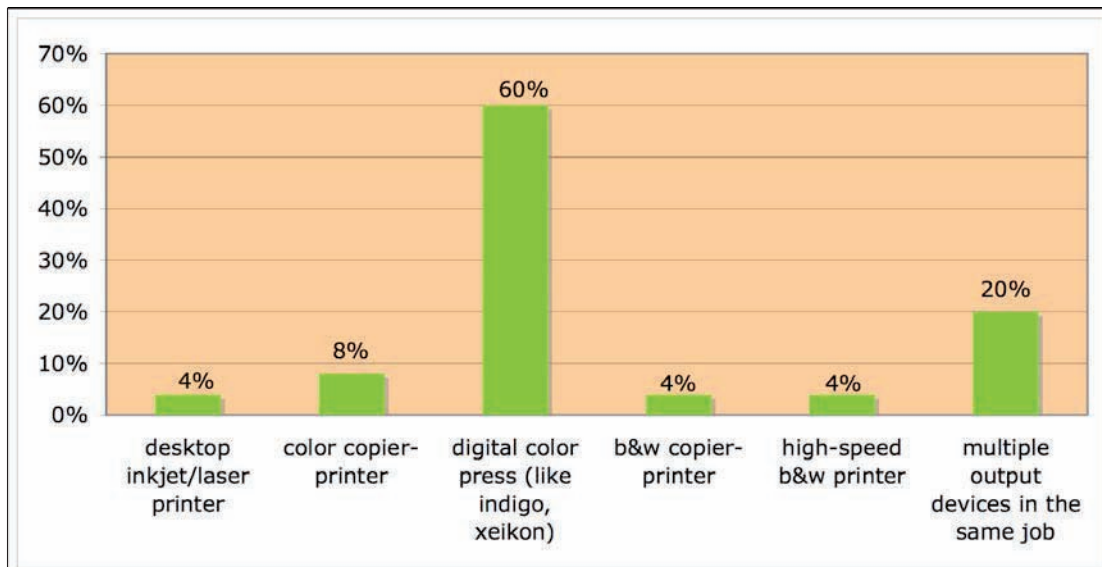


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WHAT IS THE PRIMARY PRINTING TECHNOLOGY USED TO OUTPUT THESE JOBS? (QUICK PRINTERS)



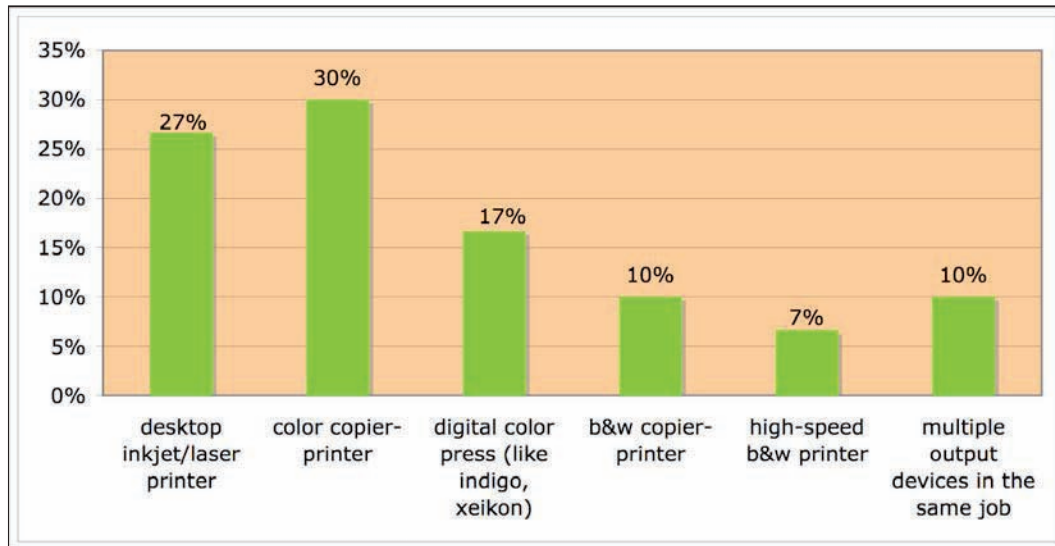
WHAT IS THE PRIMARY PRINTING TECHNOLOGY USED TO OUTPUT THESE JOBS? (DIGITAL PRINTERS)



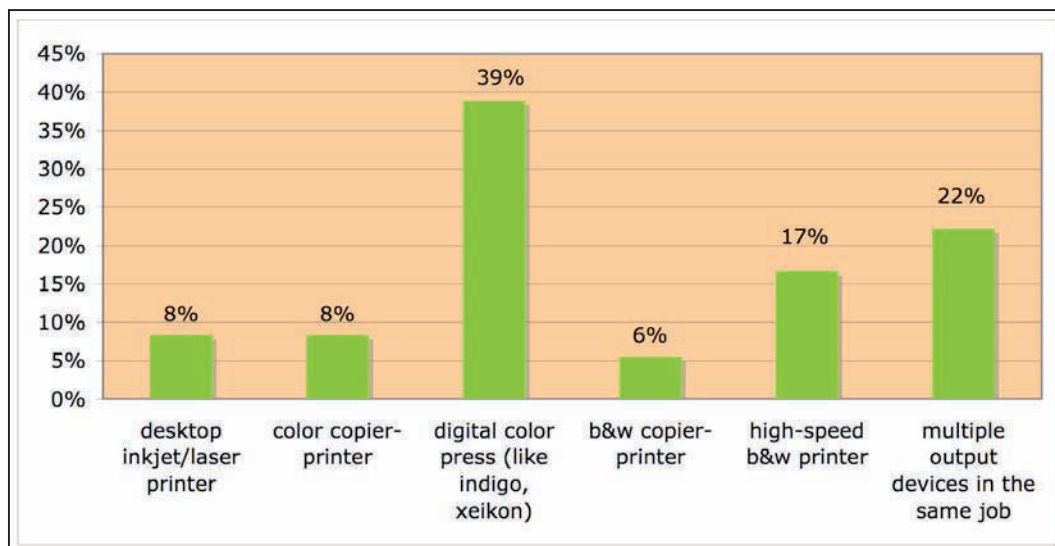


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WHAT IS THE PRIMARY PRINTING TECHNOLOGY USED TO OUTPUT THESE JOBS? (VERY SMALL SHOPS—1-9 EMPLOYEES)



CAPTION: WHAT IS THE PRIMARY PRINTING TECHNOLOGY USED TO OUTPUT THESE JOBS? (VERY LARGE SHOPS—50+ EMPLOYEES)





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Classifying by 1:1 Application Categories

Just as there are different types of automobiles optimized for different types of drivers and different types of needs (leisure, sports, family driving, hauling), 1:1 printing applications have been optimized for different types of marketing. If you are doing a fundraising campaign, you can find specialists in these applications who have optimized and streamlined the process for maximum cost effectiveness and impact. The same with transpromo, direct selling, and others.

Let's look at the primary application types for which strategies and track records have been developed.

Lead Generation: These are applications in which the marketer often does not have its own in-house database and is starting out with a generic mailing list. Techniques refined by 1:1 printing specialists can boost response even out of these lists by using specialized software and creative design techniques that can turn even mailing lists into powerful—even relevant—marketing documents.

Loyalty Programs: These are one of the most powerful applications for 1:1 printing because like chocolate and peanut butter, loyalty programs and personalization just go together. Customers sign up for loyalty programs, agreeing to give their name, address, and personal information and allow marketers to track their purchasing behavior in exchange for rewards for their loyal business. These programs allow marketers to slice and dice their database as needed to create powerful and relevant marketing pitches. By virtue of the fact that recipients already have a relationship with the marketer and are opting in to these programs, they are more likely to respond, making the return on investment for 1:1 printing that much greater.

Fundraising: Like loyalty programs, by building on the existing affinity between the recipient and nonprofit organizations, these are some of the most successful 1:1 printing applications. Pitches are made based on the recipient's relationship to the organization and past giving history. If the nonprofit is a college or university, for example, the recipient might receive a letter encouraging him or her, not just to make a generic donation, but to donate to the specific department and support past professors. The pitch might reference past donations, perhaps raising the ante based on giving history.

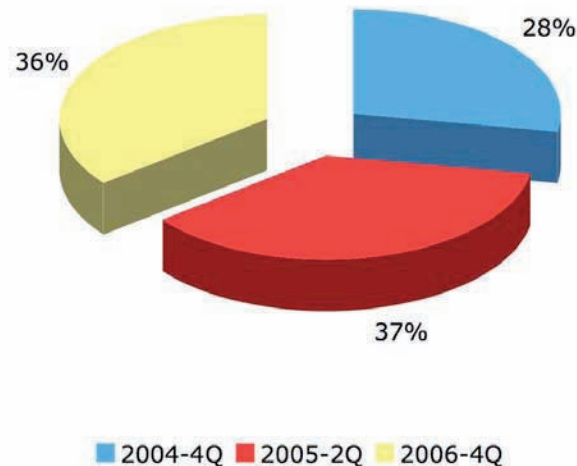
Direct Sales: With 1:1 print personalization, marketers use the power of databases to speak directly to each recipient on an individual basis based on demographics, past purchase habits, and more. In these applications, marketers use either purchased lists or their own databases to motivate the recipient to respond to a generic offer or to create personalized offers based on what is known of the individuals from that database.



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Customer Relationship Programs: This is an often overlooked but highly effective use of 1:1 printing. Marketers personalize even non-sales communications to engender customer loyalty. Examples include personalized newsletters from financial advisors and personalized information packets from insurance companies. By making non-sales documents more relevant and easier to understand, it creates a sense that the marketer has products and services relevant to them and is easier to do business with.

YES, WE DO OUR OWN VARIABLE DATA PRINTING IN-HOUSE (PRINTERS, TRADE SHOPS)



Source: IM *Printing* #24 (Fall 2006)

If you're looking for a 1:1 printing specialist to produce print personalization, you'll have an easier time finding one than you might think. Thirty-eight percent of printers now say they offer some kind of print personalization, whether color or black-and-white, in sophistication ranging from basic addressing to the most complex jobs (13+ variable fields). Printers' range of experience with these applications varies, so ask them about the types of jobs they have produced, the lessons they have learned, and ask for samples of their work.

Personalized URLs (PURLs): These applications use the 1:1 power of digital printing to print a personalized URL on each mailer (www.janesfurniture/bobsmith), encouraging recipients to log in to take a survey or view information, often in exchange for some kind of incentive, such as a



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chance to win a prize. Once logged in, respondents' movements can be tracked and their responses measured in near real time.

Transactional: Many marketers think of transactional applications as being only for huge marketers and large corporations. Yet, a "transactional" document can be anything that is generated automatically. Any bill, statement, or invoice is a personalized document, regardless whether it's a credit card statement or an update on a customer's rewards points from the natural foods store. Marketers are personalizing these documents beyond just the data itself (such as purchases and total payment due), highlighting past due payments or using colored messages to communicate with recipients about actions to take (make a payment, call a phone number, submit a form). This can boost the bottom line by reducing calls to call centers, speeding payments, and reducing errors, and more.

Transpromotional: If you add marketing messages to transactional documents, they become hybrid transactional and promotional documents, or "transpromo" documents. Examples include credit card statements with relevant offers based on the recipient's purchase history and special rewards or offers based on a card member's use of a club card at a grocery or retail store.

Does It Cost Too Much?

We've been talking about the cost of these campaigns in light of the print, design, and postage costs in order to make comparisons with static campaigns, but as every marketer knows, there are more costs to database-driven programs than these. Let's take a more detailed look at the costs associated with marketing 1:1. They might be more reasonable than you think.

The following numbers come from The Premium Color Group, Clifton, NJ, which specializes in 1:1 print personalization. It provided a list of all of the costs to personalize a job. Keep in mind that every printer has a different cost and pricing structure. These numbers are provided as one example only.

For this analysis, we assumed a short-run job that would be produced most cost-effectively on a digital press, whether static or personalized. This allowed us to create an "apples to apples" comparison. Plus, it places the example within the budget even of small-sized marketers. Costs do not include design.

List Acquisition: Whether a job is static or personalized, the basic list acquisition and mailing costs will be the same. The Premium Color Group charges \$50–\$60 per thousand names for the initial list, then anywhere from \$20–\$30 per thousand for each variable appended (such as age, gender, income, home ownership, special interests)

List Clean-Up: Once the list has been purchased, it needs to be "scrubbed" or "cleaned," which includes removing duplicates, cleaning junk addresses, and the like. At PCG, this cost tops out at \$125 for a list of 2,500 names.



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Mapping & RIPing: Beyond what you would pay for static digital mailing, there may be a fee to map the variable fields to each of the templates (say, gender, age, and income range). This could be anywhere from \$50–\$250, depending on the number of variables. Plus, there may be a RIP charge for preparing a digital file for output. At the Premium Color Group, this is usually around \$50.

Assuming a mail list of 2,500, personalization would add only about \$75 for the appended demographics, say \$150 for the mapping (splitting the difference between \$50–\$250) and \$50 for the RIP. In total, this is only an additional \$275 or so to personalize the campaign. At 2,500 mailers, that's an additional \$.11 per mailer! And what do you think the additional relevance will do to the impact of your message?

Production: Typical cost to produce a four-color sheet on a digital press is \$1.00–\$1.50 per sheet. From this, you can cut four to six postcards, depending on their size. Even if you are on a budget, The Premium Color Group recommends not dropping below 6x9" in order to make the card stand out from "junk" mail.

All told, for personalization, you are looking at about \$1,300 for the whole job, plus postage. For segmenting, it's about \$1000. So you're looking at a total increase of only \$100–\$300 on a 2,500-piece job. This is not a lot of money to dramatically boost the effectiveness of your marketing. It certainly should be well within the budget of even small and mid-sized marketers.

Remember, too, that typical direct mail response rates are around 1%— or 25 pieces in this case. If you personalize the job and achieve a 12% response rate (which, assuming the job was done well, is a conservative number), this is 300 responses. So 25 responses or 300 responses. Take your pick.

Suddenly, that extra \$300 looks like a bargain!



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SECTION 5: CASE STUDIES IN 1:1 PRINTING

Next, let's take a more detailed look at each application, along with some case studies that illustrate them in action.

Although this section breaks down these case studies by application, this really creates false distinctions. Most successful applications are solutions created by combining elements. Case studies are drawn from the Print on Demand Initiative's Case Study Archives (www.podi.org) and from the archives of the "Personal Effects" column written for *Printing News* by the author of this report.

Lead Generation

Traditional lead generation programs have extremely low response rates. By adding personalization, marketers can turn static, low-response lead generation into a more effective and higher response marketing tool.

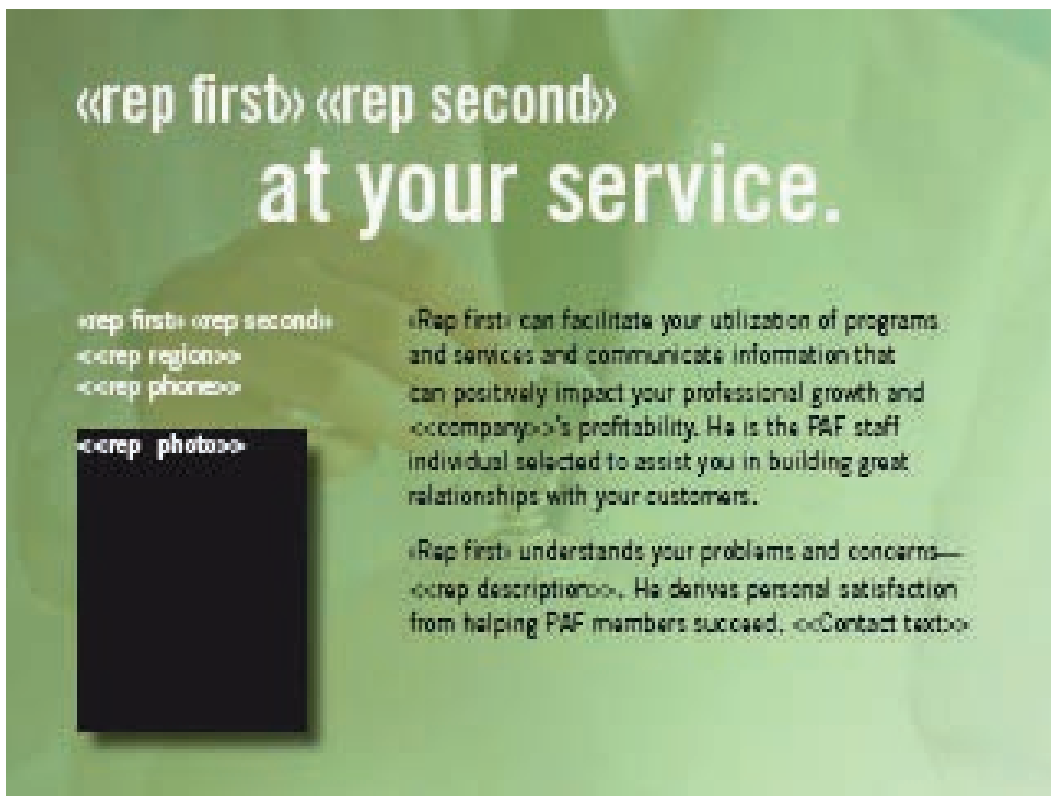
- Alerus Financial, a North Dakota banking institution, wanted to encourage new loan applications by implementing a pre-approved customer loan program. Rather than sending out its usual static piece, it created a 1:1 mailer that contained a personalized URL for each recipient. The list was segmented by age demographics into three groups, with personalized messaging and images designed to appeal to each. At his or her PURL, each respondent discovered more information on the credit card loan consolidation offer and could submit an auto-populated contact form and use an interactive calculator on the page to estimate their monthly loan payment. A submitted form triggered an email to the lead sales contact information for follow-up. Alerus also created a test group of static mailers. It found that 59% of the new loans generated from the campaign came from the 1:1 mailer and only 30% came from the static mailer.
- Franklin University wanted to boost its enrollment applications to the university. To promote its course offerings, it had been producing expensive, full-sized view books, only a fraction of which would be relevant to each student. So the university replaced the generic view book and its full-sized course catalog with a personalized 11x17 four-page color brochure based on a few relevant questions answered by each student on the university's website. The brochure addresses the student by name and describes his or her proposed major, including two faculty biographies and a complete four-year curriculum, along with a variety of other personalized information of immediate relevance to them. Once a week, the print provider downloads the 1:1 files, prints and mails the brochures, to reach the prospective students within 10 days. Since Franklin started offering personalized brochures, it has seen a 48% return and realized a 60% cost savings from its previous inquiry packet.



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- Dain Rauscher Financial Services, Minneapolis office, wanted to promote its financial services to baby boomers planning for retirement. To do this, it created a direct mail campaign that started with a high level of prospect segmentation. The target audience was determined through a psychographic analysis of what people in the 55-year-old \$200,000 income bracket do with their discretionary time and what they are looking forward to doing after retirement. The rest was a personalized trifold brochure that targeted baby boomers who spend time and money on boats. As an incentive to respond, prospects were offered a free coffetable book, *Welcome Aboard—Inside the World's Great Classic Yachts*. The result? The cost of new client acquisition decreased by 75%.

SAMPLE: PRINTING INDUSTRIES OF FLORIDA CAMPAIGN



Above is a sample page from a 1:1 campaign produced by Imagination Ink for the Printing Industries of Florida. The campaign resulted in a 2.4% increase in membership as compared to -2% national average loss. In terms of size, it also moved the PIA/GATF affiliate up from seventh to fourth place.



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Loyalty Programs

With loyalty programs, 1:1 applications absolutely shine. If you are selling products or services that rely on repeat purchases and long-term relationships and you haven't looked into starting loyalty program, it should be high on your list.

- Acorn Stores, a women's designer clothing retail store, wanted to attract visits from inconsistent shoppers and generate continued sales from loyal customers. To do this, it created a customer loyalty program, Acorn Awards. By spending \$500 or more with Acorn, customers qualify for a 5% discount on merchandise, discount coupons, and free shipping on purchases. To market the program, Acorn segmented its customer base into three groups based on past purchase history and sent a versioned direct mailing to each group. Each mailer was also personalized. Same-period sales for the entire chain rose 20% over the previous year.
- All Tile, a building materials wholesaler, launched a distributor rewards program to increase customer loyalty and sales. Initially, the program featured Web-based statements where distributors could find their points and rewards status, but despite repeated marketing efforts (direct mail, email, sales calls), participation was very poor. To jump-start the sales initiative, All Tile sent out personalized hardcopy program statements. The statements included rewards points, personalized messages, special offers and promotions, and other information. Participation jumped from .25% to 100%. All Tile achieved a 16% increase in sales from dormant accounts and a 5% increase in sales from active accounts through the purchase of a more diverse mix of products.
- Shoe Carnival, a large chain of discount stores, was looking for a way to bring inactive customers back to its stores within a specific time frame. It tapped into its loyalty program, Savings Club, where members earn points on their purchases and receive extra bonus points for participating in incentive programs. It created a 1:1 postcard to inactive members. Variable elements included Savings Club ID number, name, mailing information, point balance, date of last visit, and the number of points needed to earn the next reward. Ten days after the mail date, 1,120 recipients had shopped in the stores, spending an average of \$55.88 each trip. By early January, the number of shoppers had increased to 2,679, bringing the response rate to more than 26%. At the end of the promotional period, the chain's sales attributable to the campaign were more than \$200,000 (after discounts) on a total project cost of \$3,400.



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Fundraising Applications

Like loyalty programs, fundraising programs are powerful partners with 1:1 printing. The combination of recipients' natural affinity with the fundraising organization, paired with the power of personalization, can create fabulous ROI.

- Montreat College, a Christian Liberal Arts school, wanted to increase its fundraising effectiveness. It developed a personalized campaign using campus photos, instructors, and tuition amounts matching the class year of each alumnus. The suggested donation varied by the amount donated the previous year or new donor status. The reply card was pre-populated with the recipient's information and bar code for scanning and tracking. Six segmented versions were produced on offset shells and digital information was imprinted. New donors increased by 100% and the overall dollar amount donated exceeded the previous year by 10%.
- Out-of-Door Academy, a Florida-based private school, was having trouble getting its fundraising letters to be seen through the clutter of other mail received by parents. It exchanged its black-and-white static mailers for glossy, four-color mailers sent via first-class mail. The pieces used more than a dozen variable fields, including family and children's names, nicknames, number of children enrolled at the school, grade level, and family giving history, among others, including each class's fundraising goals (which were tied to an incentive like a pizza party). There were hundreds of potential variations. The Academy used a series of direct mailers, based on response or non-response of each recipient, to achieve a 42% increase in donations over the previous year and set new records for revenue and participation. The program achieved 100% participation by trustees, faculty, and staff, and 82% participation by parents.
- The University of Toronto wanted to increase its donations and respondent base, but its mailing campaign was expensive and highly inefficient. It reduced its mail from 70,000 static mailers (with a disappointing response rate) to a highly qualified portion of that database. Then it appended the list with potential new donors based on careful analysis of the university's database of past graduates and their families. The result was an updated mailing list 50% smaller than the previous list but more likely to generate higher revenue. The print provider segmented the list based on the discipline in which the recipient graduated, then personalized the entire package, including describing how their donations would benefit their alma mater department. The university increased its donor base by 80% and increased its revenue by 30%. It also experienced tremendous cost savings in postage, envelopes, and other consumables.

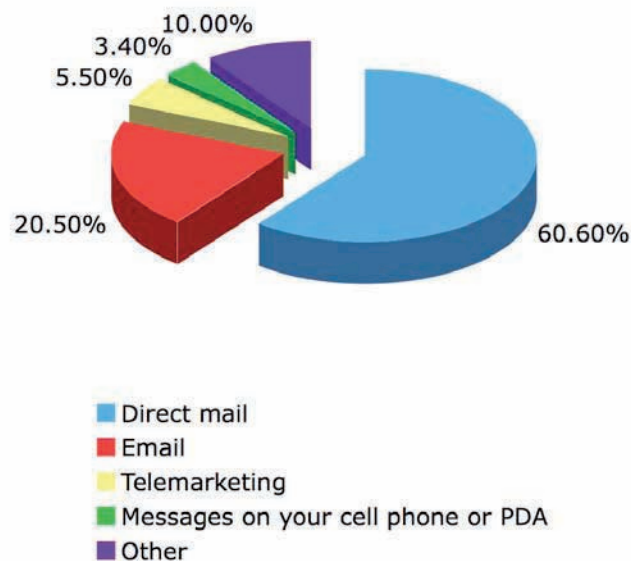


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Direct Sales Applications

When it comes to sales, nothing boosts response like the perception that what is being sold is *just what the recipient needs* and hits them at *just the right time*. That's the beauty of personalization. Just as online retailers are tracking the purchase and search habits of site visitors so they can tailor page views to their unique habits and preferences, direct marketers are learning to do the same with print marketing.

WHICH TYPE OF HARD COPY DIRECT MAIL WOULD YOU PREFER TO RECEIVE?



Source: CAPV/InfoTrends

Let's look at four "best practices" case studies that reflect how these techniques are being used at their best:

- Jay Pontiac-Buick wanted to boost profit and drive revenues through promotional pieces. It had a strong existing database with information such as customer vehicle, repair history, driving habits, and time or mileage lapses between visits. It used this information to create a personalized message to each vehicle owner, recommending specific actions they should take to improve the vehicle performance. In six months, Jay Pontiac increased profits from 12% to 18% and generated



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- 75% of its business from “customer pay” activity versus the industry average of 40% “customer pay” activity, representing higher margin work and greater revenue.
- Crabtree & Evelyn, a specialty and gift retailer, wanted to increase its end-of-year and holiday sales. It created a subset of its customer database of upscale customers, broken into two groups: preferred customers and prestige customers, based on spending habits. Both groups received different marketing messages, but each received a small, credit-card sized, personalized card tipped onto the mailer, giving them a 10% discount on a pre-holiday purchase. Crabtree & Evelyn achieved a 16% response rate. It has also increased its storehouse of knowledge about customer spending habits to be used for future campaigns.
 - Knapp Shoes, a provider of work shoes, safety shoes, and boots, wanted to move out its overstock and outsized shoes and reactivate customers who had not made a purchase in more than 36 months. It reviewed its in-house file of customers from the Internet, mail order, and retail outlets to identify customers with the desired foot sizes to match its inventory. It then created a personalized mini-catalog in the form of a full-color postcard. It sent each postcard with a special discount that matched the customer's previous purchases based on style, color, and shoe size. To break even, Knapp needed a 2.55% response rate with an average order size of \$40. It received a 11% response rate with an average \$45 sale.

Although most 1:1 printing case studies involve text and images, you can also add data-driven graphics and charts. These applications are common in the financial industry, where personalized communications are used to inform clients about the status of their portfolios and cross-sell related products.



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EXAMPLE: JAY PONTIAC BUICK

P.O. Box 369
Sharon Center, Ohio 44274

Johnathan Smith
123 Maple Street
Someplace, OH 12345

Service Reminder www.JayPontiac.com

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Jay Pontiac - Buick
10000 Rockside Rd.
Bedford, OH 44146
www.jaypontiac.com


Jay Honda
175 Brookside Ave.
Bedford, OH 44146
www.jayhonda.com

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18800 Rockside Road / Bedford, Ohio / (888) 778-5074
Parts & Service Hours: Mon-Fri: 7:30am-6pm / New Saturday Hours: 8am-4pm

*Front and back of the actual mailers used in the Jay Pontiac-Buick campaign
(previous page).*



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Personalized URLs (PURLs)

In these applications, marketers combine the power of the Internet with the power of print. Excellent for prospecting or surveying, these applications use the 1:1 capabilities of digital output to print a personalized URL on each mailer (www.janesfurniture/bobsmith) that takes them to a personalized mini-site that interacts with them by name, prepopulates response forms, and records their behavior while on the site. Recipients are encouraged to take a survey or provide more information about themselves, often in exchange for some kind of incentive like entrance into a sweepstakes or high-value gift.

Most of these mini-sites have a common structure. They include a personalized landing page, a survey page (where respondents are asked to take a brief survey to provide more information for future marketing efforts), a main information page, and a thank you page. Once logged in, visitors' movements can be tracked, so marketers can see which pages they view and where they spend the most time. This provides valuable feedback, while also building a more detailed and relevant data profile of each prospect for use in future marketing efforts.

Some programs have the added benefit of auto generating actionable leads (including in real time) in batch form. Some software gives the option of providing these leads by e-mail, PDA, or cell phone. This allows you or your salesforce to prioritize leads and respond to them immediately.

Let's look at three recent campaigns and their results:

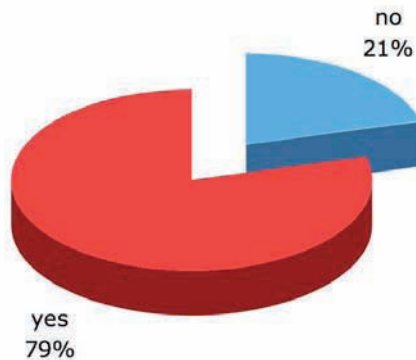
- Pantone, which provides color systems technology for selecting and communicating color, wanted to introduce a product designed to help creatives better evaluate the color on their computer monitors. Based on its in-house prospecting database populated from company newsletters, website registration, and seminars and trade shows, Pantone created a four-color mailer, addressing the recipient by name and encouraging them to log into a personalized URL to sign up for a sweepstakes and learn more about the product. Pantone created three versions, knowing that the mailer would often be sent to multiple recipients within the same company and that colleagues would discuss and compare them. For non-responders, it also sent a follow-up email, personalized using the same branding and imagery as the print mailer. Pantone received an 8% response rate, and 80% of respondents who visited their PURLs went beyond the landing page to search for more information. Pantone's sales of monitor calibration products jumped 81% and the company exceeded its sales projections by 13%.
- The Zeiterion Theater, a regional theater in Massachusetts, wanted to move into 1:1 print marketing, but it had little data on its customers. Its print provider, Reynolds De-Walt, created a demographic profile of the



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“typical” patron of the Z, as the theater is called, purchased the appropriate mailing lists, and sent out personalized mailers with the prospect’s name spelled out across a set of theater seats, saying that a seat had been “reserved” for them. Recipients were invited to log into a PURL for an opportunity to win free theater tickets. Once they logged in, recipients were asked a series of additional qualifying questions about the types of performances they liked best and were given the option to provide an email address for future communications. “The Z” mailed out the piece to approximately 10,000 recipients. Twenty-one percent logged into the PURL. Of those, 14% provided their email addresses.

PERCENTAGE OF PRINTERS OFFERING PURLS



Source: *IM Printing #26*

There are an increasing number of printers now offering PURL capabilities. According to The Industry Measure’s most recent survey, 21% of commercial printers and 25% of digital print specialists now offer these capabilities (IM Printing #26).

-
- A manufacturer of agricultural insecticides wanted to increase brand awareness and drive traffic to its distributor channel. It sent out a creative, eye-catching postcard, asking recipients to sign into a PURL to view more information on its products and see if they’d won a cash prize. The first page was a welcome page telling prospects about the product. The second page was a questionnaire, asking if they wanted to receive additional information and offering a feedback link for questions. The third page allowed respondents to verify their contact information and required them to enter an email address to see if they won a prize. The last page was a



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thank you page. In past campaigns, the customer had averaged 1% response rate. Within two days, the campaign had already reached its target of 5% and the hits were still rolling in. Not only this, but 67% of respondents requested additional information on the product.

One of the industry's most streamlined practitioners is Lead Genesys, which ties PURL campaigns into a variety of lead-generating strategies. On its website, it posts the following table comparing the ROI from a traditional direct mail program with a typical PURL campaign:

HYPOTHETICAL #4: IMPACT OF STATIC DIRECT MAIL PROGRAM VS. PURL CAMPAIGN

	Typical mailing campaign	VDP campaign, leveraging LeadGenesys Platform
Quantity	10,000	10,000
Frequency	3 drops	3 drops
Ave. Cost per piece	1	1.5
Total Est. cost	30 K	45 K
Est. cumulative response rate	3%	6.50%
Est. cumulative responses	750	1950
Est. cumulative capture rate from responses	30%	60%
Est. cumulative captures	225	1170
Est. ROI based on converting 5%		
of captures at \$10,000 each.	275%	1875%
Additional new responses to cultivate	0	780

Source: LeadGenesys

It's important to note that PURLs, by themselves, don't generate response. Recipients won't log into a PURL just to log in. Too many marketers make the mistake of thinking that the novelty of receiving a PURL, in itself, will motivate recipients to action. Consequently, they are surprised and disappointed with the results. Just like any other marketing program, in order for PURLs to pay dividends, the creative, the offer, and the hook must all be well matched to the recipient base. (See the terrific article on this subject, "Why Didn't My Campaign Work? An Analysis," at the PODi blog.)¹

¹ http://caslon.typepad.com/worth_knowing/2008/04/why-didnt-my-ca.html.



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Non-Sales / Customer Relationship Management

When marketers think about 1:1 printing, they typically think about applications that relate directly to sales. Mailers are generated to motivate the recipient to do something, such as to make a purchase or sign up for a service. And yet, there has been tremendous growth in non-(direct)-sales applications like customer newsletters. Just Google “personalized newsletter” sometime and see.

Many of these non-sales applications are being driven by Web-to-print solutions, where the corporate headquarters designs templates and gives third parties access to customize and personalize for their own customer bases. An independent financial advisor might access a financial company's Web-to-print portal, for example, log in, select from a variety of available stories, and choose the ones most appropriate for his expertise and his customer base. Then the newsletter is automatically printed with his contact information, his headshot, and his signature. The goal is to make the newsletter appear to be coming from his office, not the corporate headquarters.

Many of these applications enable users to upload their own mailing lists so that the newsletters can be addressed and the user can take advantage of postal discounts achieved by commingling with other newsletters. But increasingly, as Web-to-print solutions become more feature-rich, these applications are incorporating true 1:1 personalization, as well.

A great example comes from the Co-operators, a Canadian insurance company. The company had been sending a static newsletter twice per year, but the newsletter did little to build client relationships or loyalty. It switched to fully personalized newsletters instead.

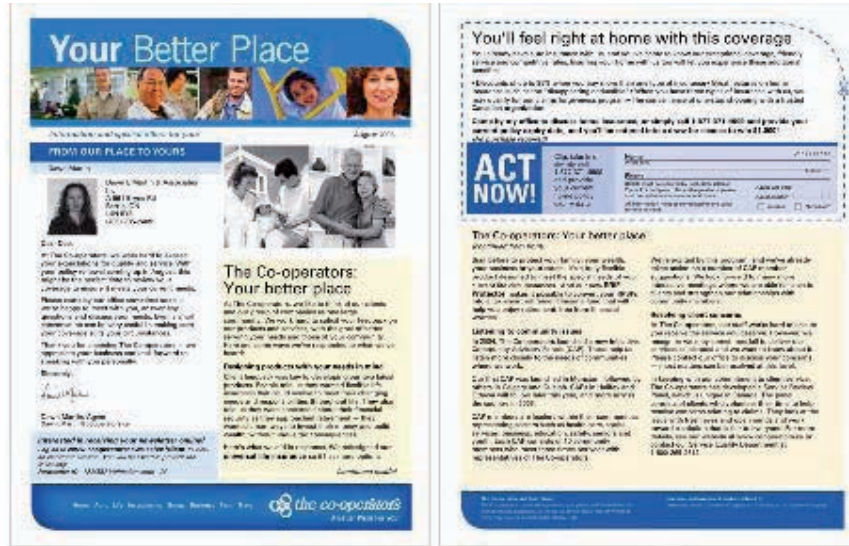
In its personalized newsletter, there are 10–12 content zones in each issue for copy related to a specific customer's interests and preferences. The software guides the user through the most appropriate choices for his customer base. For example, a customer with auto insurance but who has not signed up for the company's accident forgiveness program might receive information about this option. Or customers 45 years old or older might see an article about teaching a teenager to drive (assuming that this would be of interest to this age group).

Although the newsletter does promote sales, according to Co-operators, this is not the application's primary objective. The goal? To set the company apart from its competition and build long-term customer loyalty.



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EXAMPLE: CO-OPERATORS PERSONALIZED NEWSLETTER



Source: PODi Case Study Archives

Transactional & Transpromotional

Another category of 1:1 printing is transactional and transpromotional. Transactional printing can be as simple as a phone bill (which isn't all that simple, if you think about it) or as complex as a credit card bill with four-color marketing messages printed alongside the account information. The latter are called "transpromotional," since they combine elements of both transactional and promotional documents.

In the latter, the big move is to color. Transactional and transpromo documents have been printed for a long time in simple black-and-white. The use of color and images (made possible with high-speed inkjet machines) is really catching attention. For example, you can take traditionally dull documents, such as phone bills, and spruce them up with color to make them easier to understand or add four-color marketing messages and cross-sells. Transpromo documents include statements, rate changes or other regulatory notices, customer acquisition solicitations, among others.

- The State of California Franchise Tax Board (FTB) produces more than 14 million personal income tax returns each year. In the state's previous workflow, many taxpayers found the forms confusing. They didn't know what they should do, how much to pay, or where to send the payment. The



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result was slow payments and expensive volumes of calls to call centers. The FTB came up with a solution—use highlight color and personalized messaging to explain exactly what each taxpayer needed to do. Taxpayers were told why they were receiving the notice, how late their payments were, and the due date. Key information was displayed in blue, drawing the taxpayers' attention to specific points and guiding them through the document. The result was faster payments and fewer mistakes, translating into millions in additional interest income and, at an average cost of \$15 per call to the call center, reduced call center contacts.

- When an Australian bank wanted to introduce a new credit card, it did a 1:1 mailing to existing credit card customers. In the mailing, it addressed customers by name and showed them specific products available at each individual's current point levels. Then, it showed them what else they could earn at double the points. Headlines, including the customer's name, were matched to the product images. All forms were pre-filled. To respond, all customers had to do was sign and return the form. The campaign's response rate was 200% over the previous year's static version. The program received the Australian Direct Marketing Association award for effectiveness in 2006.
- Ameriprise Financial old financial statements were bulky and contained a lot of information irrelevant the recipient. Ameriprise decided to redesign its statements to make them easier to understand and incorporate variable data text and images for cross-sells and upsells. The redesigned statements present a quick overview of the customer's portfolio and activity since the last statement. Variable text message blocks are sprinkled throughout, allowing Ameriprise to mention specific products with the regulatory messages relevant to that product. Adding a barcode on the envelope allows Ameriprise to more easily track returns for address corrections. The result? Customers find the information easier to understand and Ameriprise has many new upsell and cross-sell opportunities.



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SECTION 6: BEST PRACTICES FOR 1:1 PRINT

What can be learned from all of this? With the technology and applications in mind, let's look at some of the key lessons learned from practitioners in the field.

Nine lessons from the field

1. 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 they 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 (do they still use the word “hip?”), 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 and services on families and young children.
- In the 50s demographic, you might slant the pitch toward professional achievement or preparing for retirement.
- In the 60s demographic, you might capitalize on the angle of empty-nesters or having more disposable income.

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

Marketers might protest, “Why do I have to personalize? Why can't I just segment instead?” You could, and your ROI would go up. But time after time, side-by-side tests show that when a program is produced right, personalization increases the impact exponentially. It increases response rate (beyond segmentation), it tends to result in high per-order values and increase customer loyalty. So start with relevance, then use personalization as the *coup de grace*.

2. Focus on your top customers. Don't try to mail 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



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irrelevant and therefore useless mailers that would otherwise be thrown into the trash. You are restricting that investment to the most valuable prospects.

The issue here is similar to segmentation. Just by making this adjustment, marketers can reduce their marketing costs and increase their ROI. You don't have to use personalization to reap big benefits. But, like segmentation, the addition of personalization has exponential benefits in response rate, per-order value, and customer loyalty that can earn back the additional investment in spades.

If you are doing a fundraiser, for example, you might want to select only people who have been out of school for at least five years, giving them a chance to increase their earning potential and gain disposable income. If you are a retailer trying to boost end-of-month revenues, you might want to mail only to customers who are in the top 25% spending bracket. If you are trying to drum up additional business, you might want to do a mailing to your bottom 25%, with an incentive to get them to renew your relationship with you. Each program will be different, but the point is to cull the list so that your prospect selection matches the offer and intent of the program.

SAMPLE: BAZZIRK LUMPY 1:1 MAIL CAMPAIGN



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 Bazzirk, a lead generation campaign aimed at CEOs and other high-value targets.



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3. Learn a new language.

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.

Let's go back to the case study of the University of Toronto. Working with Custom Data Imaging, it slashed its mailing database by 50%, then sent out personalized communications. 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. One marketer recently achieved ROI of 80:1 when it began creating personalized follow-up brochures to prevent cancellations once families and individuals made reservations at its high-end resorts. The brochures detailed the purchaser's travel plans, provided photos and itineraries for vacationers' actual visit, and mailed them out with 48 hours. Were the brochures costly? Sure, probably \$1.00 to \$2.00 apiece. But the program vastly reduced cancellations, and at 80:1 ROI, who cares?

4. Evaluate the cost of programs differently.

One of the biggest mistakes that marketers make when evaluating 1:1 applications is thinking they are too expensive. This often occurs because they are thinking too narrowly—about short-term investment rather than longer-term return. Remember the discussion about cost per lead, cost per sale, revenue per sale, and ROI.

So before you make a print buying decision, take everything into account, not just price. 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



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- 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 we don't take into account all of the options, and all of the factors, when creating a campaign, it's easy to end up making the wrong choices.

5. Measure everything.

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 have no idea. Before you can truly evaluate the success of a campaign, 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, your per order sales. Track your costs. 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 an accurate ROI.

6. Use data wisely.

The ability to personalize documents offers a lot of opportunity, but it has to be used wisely. Data privacy is a topic that affects us all these days. Although we are all familiar with misuses of online data, even print is impacted by privacy issues, especially 1:1. If used inappropriately, the inclusion of personal data may irritate or offend recipients beyond repair.

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, 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. (Of course, make sure your mailing list is up to date before you do this. As of this analyst's youngest daughter just is turning 13 months old, and we've still receiving coupons for newborn diapers.)



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Are there times that it's appropriate to use very personal data? Sure, when...

- the recipient is a regular customer or has opted in to receive such documents, or
- the information is concealed within a sealed envelope.

A good example is a financial company that creates personalized updates on its customers' portfolios. The customer knows the company has this information, and as long as that information is protected, customers see receiving personalized updates as a value-added service. But putting children's names and birthdays on a postcard or advertising that someone is on the verge of losing their house ("We hear you have an ARM that's about to balloon your mortgage. Call us before it's too late!") probably isn't.

So when thinking about personalizing a print campaign, 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 others, such as a discount coupon on age-appropriate toys, they don't.

7. 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 woman behind the wheel. Time and energy spent swapping out such images may 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 the whether they are men or women. It's about relevance.

Some data is relevant to the marketing offer. Some data isn't. You need to find out which is which. That means conducting marketing tests to see how variations of personalization impact your bottom line. For example, in a 10,000 1:1 print run, you might want to select 500 pieces and make a simple change (add or remove or change a variable) and see how it impacts effectiveness. Does the addition of personalized images increase the response rate? If so, by how much? When you add in the cost of the additional variable, does it cost justify? What if you increase the offer by 10%? How about 15%? At what point does the increased response rate and value per sale not justify the additional discount?

These are all the types of questions marketers should be asking. It's why marketers should get in the habit of measuring everything. This way, when you do



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your testing, you'll be able to assess an accurate impact on your bottom line. Make testing and control groups a regular part of your marketing program.

8. 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 media marketing. Programs that use multiple media to reinforce a message are generally stronger than programs that rely on a single individual medium alone. In many cases, 1:1 print programs are followed up with personalized email. 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.²

According to an article in Knowledge@Wharton, the business journal of the University of Pennsylvania's Wharton School, while NeimanMarcus gets most of its sales online, those sales are driven by print catalogs. When the catalog volume declines, the company loses customers.³ Other examples abound.

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

9. Invest in the database.

Make investing your database a priority. It takes time, dedicated resources, and capital, but this is one of the most important investments you can make. Develop a basic database, then make the investment in refining it, adding variables, updating, cleansing, and so on. Then, 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.

² "USPS Research Shows Direct Mail Drives Online Sales,"
http://www.usps.com/communications/news/press/2004/pr04_047.htm.

³ "Print Outperforms Digital," Print CEO Blog,
<http://printceoblog.com/?s=knowledge%40wharton>, accessed April 24, 2008.



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SECTION 7: CONCLUSIONS

Is it possible to boil down all of the information in this report into a nutshell? If it were, it would be this: 1:1 printing is no longer an experimental marketing technique. It is proven marketing approach with a long track record. If you do your homework, analyzing a variety of applications similar to the one you intend to produce, it should give you a good sense of what kind of results you can expect.

In launching a 1:1 program, it's critical to adjust your methods of monitoring and measuring the success of the program. Cost per piece is no longer the "end all, be all." ROI, cost per sale, and similar methods should be used.

1:1 printing is not a "static" marketing method. In order to maximize success, it requires continual refining. Measure, test, and measure again. Your first set of variables may not be the most effective way to use your data. Continually refine the process over time. Don't assume that your first crack at 1:1 printing reflects the success you will always have in the process.

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 vying for your business. With such a respected track record, and with the 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.

For further reference

For further reference, check out the following resources:

Print On Demand Initiative (www.podi.org). Although PODi offers many services, marketers should join if for no other reason than to mine its case study archives, which go back to 2000. Offers the best, most comprehensive case study archive around.

OnDemandJournal.com—online portal of articles, columns, and case studies dedicated to digital printing, including 1:1 printing.

Variable Data Publishing Resource Center

(<http://www.adobe.com/products/vdp/casestudies/>)—Adobe-sponsored archive of 1:1 printing case studies.

XMPie Case Studies (<http://www.xmpie.com/index.php?id=430>)— 1:1 printing case studies put together by 1:1 printing software provider XMPie.

Digital Innovations Group (www.digcreative.com)—1:1 print/marketing firm with a large collection of case studies.



Marketer's Primer Series: 1 to 1 (Personalized) Print

Also check out the websites of 1:1 print providers you read about in the media. Some have collections of case studies—some large, some small—that you can mine for some more terrific examples.

Like this report? Check out the following related reports:

“Marketing Primer Series: Digital Printing”: 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/digital_printing_primer.htm

“Marketing Primer Series: Web-to-Print”: 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/web-to-print_primer.htm



Marketer's Primer Series: 1 to 1 (Personalized) Print

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.



In addition to being an industry columnist, pundit, and feature writer—having written thousands of industry articles for top industry publications—she and co-analyst Richard Romano were the face of the well-respected industry research firm The Industry Measure (TrendWatch Graphic Arts) for nearly a decade. 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 a long-time contributing editor and columnist for a number of industry publications, including *Printing News*, for which she writes two monthly columns, including “Personal Effects,” which features monthly analysis of 1:1 (personalized) printing case studies.

She is also 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), Heidi Tolliver-Nigro is active in utilizing digital printing technologies in her own business, as well.

