WHITE PAPER
number 4

BEST PRACTICES FOR
1:1 (PERSONALIZED)
PRINTING
COMMUNICATIONS

ADVERTISERS
PRINTING

CONNECTS
Companies
Customers
Communications

- *Traditional marketing rules apply*
- *Focus on relevance, not "personalization"*
- *Focus on a segment of your database*
- *Get to know your customers*
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BEST PRACTICES FOR 1:1 (PERSONALIZED) PRINTING

It's a tough marketing world out there. Customers have endless choices. They want to be catered to. They are faced with a bombardment of marketing messages from every direction and every channel, giving marketers little room for error. At the same time, marketers are increasingly called onto the carpet to justify their spending decisions. 1:1 (personalized) printing increases the relevance of the marketing message — breaking through the clutter — while offering marketers quantifiable metrics that help them justify their budgets in a way that many traditional media do not.

Not surprisingly, a recent InfoTrends survey of 1,000+ large businesses, across 10 different vertical industries, found that more than 60% of respondents' campaigns are now personalized or segmented.   Likewise, an Aberdeen Group study found that, of "best in class" marketers (defined as being in the top 20% of sales and profitability), 39% were actively "targeting offers to optimize marketing ROI" and "optimizing marketing activities at each touch point along the customer lifecycle."

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

TRADITIONAL MARKETING RULES APPLY.

When marketers begin implementing 1:1 printing applications, there can be the misperception that because of its personalized nature alone, the 1:1 piece will drive response. But this is still marketing, and it is the creative, marketing message, offer, segmentation, call to action, and incentive, among other components, that determine success. The personalized nature of the communication must be part of this larger effort.

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. You don't want to market orthopedic shoes to teenagers, for example. You can personalize the document to the hilt—deck it out with text messaging terms, pictures of X-Games, references to all of the contemporary language and culture, but it's still not a relevant message unless the teens need to purchase a birthday present for grandpa. But what if you could take your knowledge of the make-up of your target audience to change, not just the products you market, but the tone and the message of each piece?

Do you have to personalize? Can you just segment instead? You could, and your ROI would increase. But time after time, side-by-side tests show that when a program is produced right, personalization increases the impact on an exponential basis. It increases response rate (beyond segmentation); plus it tends to result in high per-order values and increase customer loyalty. So start with relevance, and then use personalization as the coup de grace.

IN EACH CAMPAIGN, FOCUS ON A MEANINGFUL SEGMENT OF YOUR DATABASE RATHER THAN THE WHOLE LIST.

In order to maximize your investment in 1:1, 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 only reduces the number of mailers but minimizes the number of irrelevant mailers that would otherwise be thrown into the trash. You are restricting that investment to the most valuable prospects.

1:1 printing doesn't have to be flat. Marketers are using it on die-cuts, packaging, and folding boxes, as well.

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 boost revenues, you might want to do a mailing to your bottom 25%, with an incentive to get them to renew their 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.

GET TO KNOW YOUR CUSTOMERS, THEN MARKET TO WHAT YOU KNOW.

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

A good question to ask yourself is what you don't know about your customers now that might allow you to create relevance in a more powerful way? You'll only know by asking. Among the techniques you can use to gain a deeper understanding of your customer base: print and online surveys, focus groups and card sort tests (based on customer personas), and A/B testing.

If you have an existing database, you might also want to make an investment in some basic database analytics. Who are your 10% by Frequency? Volume? Margins? What do these customers look like? Identify what they have in common (age, income, marital status, ethnicity, purchase habits? in a B2B environment, vertical market, employee size, annual revenues?). Who are your bottom 10%? What do they look like? Are they customers you think you can woo back? Create customer profiles (called "personas").

Creating such profiles can pay dividends in prospecting, too. If you know what your best customers "look like," you can maximize your prospecting lists by matching the purchased list to that profile.

PRE-FILL ANY FORMS INVOLVED IN THE CAMPAIGN.

If your campaign involves response forms, pre-fill them with as much information as possible. This is information you likely already have, and by doing so, you remove yet another barrier to response. Split tests on mailings with pre-filled forms and un-filled forms consistently show a significant bump in response rates simply due to the fact the recipients don't have to fill in the forms themselves.

PROVIDE MULTIPLE RESPONSE MECHANISMS.

Not every segment of your customer base wants to respond the same way. Give them multiple response mechanisms — phone, tear-out forms, personalized URLs, Web links, and QR Codes (including those embedding personalized URLs) — depending on the target audience. Let them respond on your Facebook page. The point is simply getting them to respond.

In one 1:1 campaign, for example, the marketer offered recipients the opportunity to respond to the survey using a personalized URL or by filling out a tear-out card. It found a surprisingly high percentage of tear-out cards returned, many of them from older recipients who were not comfortable giving out certain information online. In another campaign, the marketer found 65% of responses came by phone and 35% by personalized URL, even though this was a more Internet-savvy audience.

By giving recipients multiple ways to respond to the campaign, you may catch prospects who might otherwise fall through the cracks. You don't have to overwhelm them with choices, but give them a range of choices appropriate to the campaign and the target audience.

CENTRALIZE YOUR DATABASE, AND THEN INVEST.

Make investing in your database a priority. It takes time, dedicated resources, and manpower, but, this is one of the most important marketing investments you can make. Develop a basic marketing database, aggregating and centralizing the data into a single, optimized customer contact list that includes demographics and channel preferences, then continue to invest in refining it, adding variables, updating, and maintaining it. As you gather information about your customers, don't let that data go to waste. Get that data back into your database to be used in future marketing programs.

MEASURE EVERYTHING, BOTH COSTS AND RESULTS.

What kind of return did you get on that direct mailing? That email blast? That social media campaign? Most have no idea. Before you can truly evaluate the success of 1:1 printing against other campaigns, you need to track and measure everything along the way. Be sure to build in bar codes, redemption codes, or other mechanisms so you know who responded and when. Track your conversion to sale and per order sales. Many retailers, in particular, lack tracking mechanisms at the point of sale, so critical measurement data is lost.

USE DATA WISELY– RESPECT PRIVACY.

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. Even when this analyst's youngest daughter was turning 13 months old, she was still receiving coupons for newborn diapers.)

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.

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? 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 might be money thrown out the window. It might be much more useful to pair an image of a minivan to recipients who have children or pair hybrid compacts with recipients in areas known for environmental sensitivity, regardless of the whether they are men or women. It's about relevance.

A combination of card sort and A/B testing. Use the card sort testing to refine the test models based on your customer personas. Then use A/B testing to see which versions are the most effective.

UNDERSTAND THE BENEFITS OF DIFFERENT CHANNELS, THEN USE THOSE CHANNELS IN MULTI-TOUCH CAMPAIGNS.

There is no question that multi-channel marketing packs a more powerful punch than single channels alone. Not only are you getting the reinforcement of multiple channels over time, but you never know which channel your customers will respond to. Some will respond to direct mail contacts, while others will respond more to email, mobile marketing, or social media.

According to research conducted by InfoTrends, very few marketers are doing single-channel marketing campaigns anymore. When asked the average number of media types used in a direct marketing campaign, marketers said . . .

• One channel — 8.1%

• Two channels — 30.5%

• Three channels — 38.0%

• Four or more — 15.1%

In many cases, 1:1 print programs are followed up with personalized email or SMS text messaging. Conversely, prospects might be sent to a website, where they input information and are sent a personalized print follow-up piece based on the information they provided. Or campaigns that include QR Codes or social media marketing to reach certain demographic groups initially then follow up with personalized direct mail.

When vROAM Global, an Australian communications company that "hires out" cell phone SIM cards for overseas travelers, wanted to boost the return of its SIM cards, it switched from bulky, static printed packets to personalized booklets for every new customer. It also began using follow-up SMS text messaging to welcome customers, alert them to the arrival of the personalized booklets, and remind them to return their cards at the end of their trip. Since implementing the program, vRoam Global has seen a 90% drop in customer inquiries from 20–30 per month to an average of two per month. The company has also seen a "marked increase" in the return of SIM cards.

We are just starting to scratch the surface of how multi-channel marketing can use complementary media to boost the effectiveness of a message. So if you're focusing on a single medium only, double (or triple) up!

EVALUATE THE COST OF THE PROGRAMS DIFFERENTLY.

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

Consider the University of Toronto. It slashed its mailing database by 50%, then personalized its communications. As a result, 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 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 visits, and mailed them out within 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?

Is it possible to boil down all of this information into a nutshell? If it were, it would be this: 1:1 printing is no longer an experimental marketing technique. It is a 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 is 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. Integrate

different media into the campaign. See which combination gets the best result. 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 integrated 1:1 printing into your marketing strategy, 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.

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