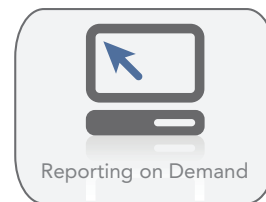
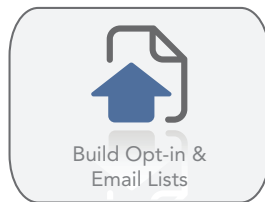


# *1:1 Cross Media Marketing 2008*

A practical guide to improving  
response and increasing ROI



By James D. Michelson Managing Partner, JFM Concepts LLC

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## Executive Summary

It is both practical and cost effective for firms of any size to conduct sophisticated 1:1 cross media marketing applications featuring highly personalized and relevant content. The content can be delivered across any media including direct mail, email, web pages, and even from static advertising. These campaigns can be executed without the acquisition of new marketing skill and trained employees, the purchase of new software and licenses, or the addition of expensive hardware. By implementing an automated lead generation system, a large universe of prospects can be narrowed to a list of warm leads which can dramatically improve response rates and Return on Investment (ROI). The entire campaign can be tracked with detailed reporting that is available 24/7 and can include all facets of the campaign.

## Real Time Personalization (RTP)

Real Time Personalization (RTP) is a revolutionary new way to approach cross media marketing. RTP can identify and capture web visitors with amazing accuracy. A static web address that can be delivered on virtually any marketing channel can immediately serve personalized web content. Business logic is applied to each prospect after doing a real time lookup to the national consumer database. The result is targeted and relevant personalization from interest created from a static piece. When a firm advertises there is usually a corresponding spike in web traffic as customers investigate the offer. For every call received or order placed, 5-7 additional views occur on the web. RTP captures those leads, identifies their demographic attributes and provides the data required for the next step in the process.

## Variable Data Printing (VDP)

Variable Data Printing (VDP) continues to improve the way marketing organizations communicate with their customers. The goals are simple: drive explosive and profitable growth, reduce costs, and simplify marketing tasks. The more targeted and personalized a campaign, the higher response rates and the ROI. VDP is the perfect tool to build brand awareness, enter the sales cycle at the right time, capture current sales opportunities, and increase market share. Costs are being reduced by targeting the right prospect

with the right message at the right time. Response rates are improving by contacting only the most likely prospects and providing them with individualized content. Opt-in marketing, which is also called permission based or consensual marketing, is a process by which customers are invited to receive a newsletter, mailing list, or other recurring materials. This method brings better results when these specific groups are later solicited with highly personalized offers. Direct mail marketers can now utilize tactics pioneered on the Internet in print.

The major challenge for companies and their print and marketing vendors in creating variable data campaigns is coordinating the myriad of required tasks among various departments or outside partners. For this reason, according to Xerox, 98% of variable printing consists only of name and address. An integrated system can overcome this project management challenge.

### Step 1

Start with real time personalization and broad reach advertising to generate a prospect list with demographic data.

### Step 2

Automatically follow up on generated leads with variable data marketing that features 1:1 personalization.

### Step 3

Provide unique web content and personalized urls (PURLs) to capture web responses.

*The key to successfully incorporating 1:1 cross media campaigns into your marketing plan is to create and analyze a customer or prospect database. If there is not a mechanism already in place to create & continually update this list, creating a system should be the top marketing priority.*

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## Why Direct Mail In the Electronic Age?

According to the United States Postal Service, the average consumer is exposed to approximately 5980 marketing messages daily. On average, they notice 52 and pay mind to only 4. So how does your message become one of the 4?

There is a daily **“Mail Moment”** in virtually every household and business in the United States. A staggering 98% of people check mail daily and 77% at the first opportunity. No other marketing channel even comes close.

The sorting process takes just a split second per piece and has 3 results; bills, read, and junk. Variable data pieces that speak directly to the prospect with personalized information have the best chance of surviving the sorting process and being one of the .00067% marketing messages that are noted.

## Environmental Concerns

By targeting only the best prospects with relevant content, firms can dramatically reduce the environmental impact of their direct marketing effort. Rather than blanketing a city, marketers can select only those prospects or those who profile as likely buyers that have already expressed interest in a product or service and dramatically reduce wasted mail. There is a significant environmental impact to limiting the paper, ink, electricity, and fuel required to create, print, and deliver millions of mail pieces. The best news is that the number of quality leads and sales generated does not need to suffer as a result of **“going green.”**

## Latest Printing Technology

High speed digital presses that are able to create different versions of a marketing piece have revolutionized the way companies communicate. State of the art printers such as the IGEN, NEXPRESS, and INDIGO draw information from a database to produce personalized copy, offers, and art for individual recipients.

Variable data printing campaigns allow for one small print run to contain multiple designs. This eliminates the need for inventories of different versions, resulting in a low buy in and no outdated preprint. Variable data printing allows for small print runs to be combined into one job so that economies of scale can be reached by low volume users.

## “The Mail Moment”

98% People Read Daily  
77% At First Opportunity



## Getting Started

The first step in utilizing the power of VDP is the creation of a uniform, detailed database. Since most firms already have some advertising in place, real time personalization can be used to generate a lead list. Purchasing mailing lists can also be an excellent start to creating a prospect file if you are beginning from scratch. Both B2B and B2C companies can utilize their own house files and a variety of commercial services available from third party providers such as list brokers. Existing house files can be appended to fill in additional demographic and contact information based on the needs of the campaign. For firms that do not have the technical expertise or the manpower to implement such a system, this task can easily be outsourced.

The second step to launching a robust VDP campaign is to conduct an analysis of the client base. In a recent project, we were able to segment the demographics of a firm's house file and found not only the age, income, geographic location, and marital status of the group's best customers, but we were also able to isolate which mix produced the client with the highest spend per purchase. The campaign focused on prospects that matched all of the desirable demographics.

 *The key to a successful marketing campaign is to create a system where you can track results.*

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## Customized Copy, Offers & Art

On the web, 1:1 personalization allows each visitor to receive unique messaging. For mail, variable data printing allows you to give each prospect an individual mail piece with unique copy, offers, and art based on the key demographics discovered in the analysis process. VDP speaks personally to the target audience rather than treating every recipient in the same way. A marketing campaign like the one featured here caters to many market segments. Manufacturers get a different fit and feel than insurance agents. VDP finally makes this level of customization an affordable reality for small to medium sized companies.

Variable data printing allows each prospect to be conditionally assigned content based on any number of parameters. While there is no limit to how specific segmentation can get, it is best to keep the variables manageable. Three to five is a good range. A typical application in a consumer product offering is to list recent purchases and make cross-sell or reorder suggestions. This process is very common among large online retailers such as Amazon.com, and it is now possible to accomplish with traditional mail order customers. The more tailored and relevant an offer is to the recipient, the more likely they are to respond.

## Unique URL's & "Soft Leads"

A challenge with traditional campaigns featuring a website has been the inability to know which particular recipient looked online but never made additional contact. These potential customers remain anonymous unless there is a method to capture their interest. With a little more technology, each prospect in a marketing campaign can receive a unique URL (uniform resource locator) which is a personalized web address. With variable data printing, each piece is individually printed so every customer can receive their own URL. The system can easily report a visit to this page even if the prospect does not make a purchase, fill out a contact form, or respond in any other way to the offer. Sales forces can receive real time alerts that indicate which specific customer visited the web site, which campaign they are from, and current contact information.

**It is critical that these "soft leads" are contacted again.** The conversion rate of these prospects can be



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<Name>, think paperwork isn't hurting your bottom line? **Think again.**

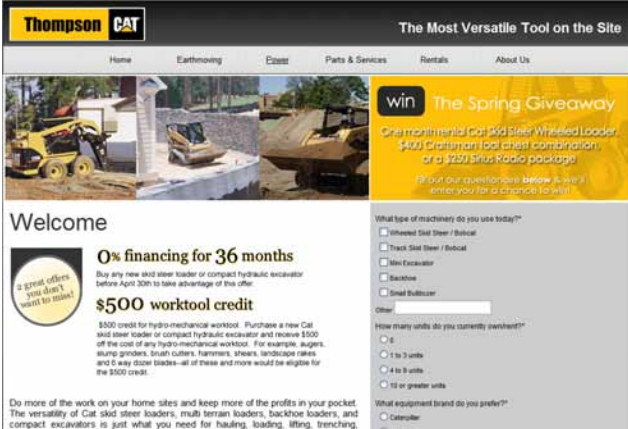
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Engineering services spend \$12.9 billion per year managing documents.

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*In this sample each recipient receives art and copy that speaks directly to their personal situation. This improves response rates by capturing attention quickly and driving the prospect to the web for more information.*



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Fill out our questionnaire below to see if you qualify for a chance to win!

Welcome

**0% financing for 36 months**  
Buy any new skid steer loader or compact hydraulic excavator before April 30th to take advantage of this offer.

**\$500 worktool credit**  
\$500 credit for hydro-mechanical worktool. Purchase a new Cat skid steer loader or compact hydraulic excavator and receive \$500 off the cost of any hydro-mechanical worktool. For example, augers, stump grinders, trench cutters, trenchers, shears, backhoe rakes and 5 way dozer blades—all of these and more would be eligible for the \$500 credit.

Do more of the work on your home sites and keep more of the profits in your pocket. The versatility of Cat skid steer loaders, multi terrain loaders, backhoe loaders, and compact excavators is just what you need for hauling, loading, lifting, trenching, grading, and backhoeing. And with optional attachments, the possibilities are endless.

What type of machinery do you use today?\*

Wheeled Skid Steer / Backhoe  
 Track Skid Steer / Backhoe  
 Mini Excavator  
 Backhoe  
 Small Subtractor

Other: \_\_\_\_\_

How many units do you currently own?\*

0  
 1 to 3 units  
 4 to 5 units  
 6 or greater units

What equipment brand do you prefer?\*

Caterpillar  
 Bobcat

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dramatic and significantly increase the response rate of the entire campaign. In a small business, good follow up techniques include hand addressed packages of collateral materials or phone calls, but there are many other ways to approach the next communication.

## Opt-in Marketing & Surveys

According to well known marketing experts Ernan Roman and Scott Hornstein, "The consensual marketing opt-in process provides both immediate and long term value to the customer. Short term, customers begin to receive more relevant and useful communications. Over time, marketers have the ability to provide increasingly focused and targeted exchanges of information that will raise each customer's satisfaction and life time value. This process rewards marketers with an immediate increase in their return on investment and the ability to exponentially increase revenue and ROI over time." Variable data printing greatly simplifies the mechanics of opt-in marketing and conducting surveys.

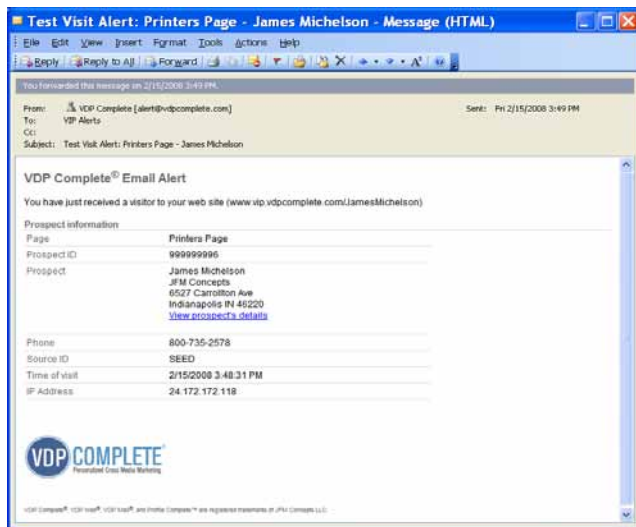
Once the customer has visited the website to find more information or to take a survey, the next logical step, short of a sale, is to open an ongoing relationship. Consider offering recurring materials such as a newsletter or email bulletin to keep your information and brand in front of the customer. The same database that is used to produce the unique URL's and display the offer can also be used to automatically populate

the opt-in form for the prospect. This ensures success for two key points: first, it makes the process painless for the customer; and second, the data entered is not mistyped, increasing accuracy.

To keep the program effective, materials must be timely, informative, and relevant. Variable data printing is ideal for providing these highly tailored marketing messages. Research has shown that this type of sales effort returns dramatically better results.

## Reporting and Tracking

A key advantage to using unique URL's is the ability to more accurately calculate the effectiveness of a campaign by recording visits to the web. It is possible that an offer was relevant to the recipient but it was not the right time to move forward, the prospect was distracted, or the piece slipped their mind. By identifying those recipients that showed at least some level of interest to the offer, we can begin to rank prospects and concentrate marketing efforts on those most likely to respond. This level of targeted marketing takes time to develop, but has been extraordinarily successful for many firms. When developing a VDP campaign, consider what capabilities for tracking and reporting are available in house and what additions will be required.



Real time email sales alerts and detailed reporting are easily included in cross media marketing campaigns and provide complete visibility into response.

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## Reorder, Up Sell & Cross Sell



Investment in existing customers is often overlooked and under funded. Email reminders are inexpensive and easy, but the impact that timely, relevant direct mail has on customers is not to be underestimated. When a company's communications to the customer base are appropriate and desirable, the result is a boost in brand loyalty and sales.

Variable data printing is an excellent tool for any wholesaler or retailer with cyclical product lines. Everything from contact lenses to industrial commodities can take advantage of a personalized and automated customer contact program. Based on order history, a supplier knows when a product is due for reorder. VDP reorder reminders can be printed with information regarding past purchases and multiple products that are relevant to the individual recipient.



*It is critical to remember to communicate with existing customers. They're your best prospects.*

While reorder reminders are a key opportunity for creating loyalty and increasing sales, up sell and cross sell marketing can further engage active customers. Analyzing past sales often shows a correlation between those who buy certain products and then branch out into other complimentary items. With consumables, a customer buying greater quantities can help lower operating costs as there is only one order to process and ship. Additionally, it moves more stock out of valuable warehouse space and ensures that the customer is committed to long term use. For these reasons, many companies offer incentives such as reduced shipping or a lower price on orders with two or more items. These additional savings make for great marketing hooks.

There are two challenges for creating a cross sell/up sell strategy. The first is to regularly identify qualified customers. The second is supporting the print inventory for an ever changing product mix. Careful analysis combined with variable data printing addresses both of these issues. Analysis identifies prime offer recipients on a consistent, short term schedule. VDP allows relevant, timely and highly personalized pieces for each offer in one print run, eliminating the need for pre-print and up front volume commitments

## Life Cycle Management



The ever rising cost of new customer acquisition makes it imperative to grow a stronger relationship with existing customers. The number one marketing oversight made today is to ignore the most profitable prospects you already have. Variable data printing can simplify the process of maintaining contact with customers. VDP can form the basis of an ongoing program for automatically occurring, behavior driven contacts to increase sales and build brand loyalty. Consider some of the following touches (with or without a specific call to action) in order to retain customers and increase the frequency of purchases.

- Conditional offers based on customer behavior, purchase patterns, and demographics
- Personalized web pages with industry specific information and special offers
- Seasonal announcements
- Order reminders
- Thank you and appreciation pieces
- Automated follow up marketing and sales opportunity alerts triggered by previous web site visits

Managing the life cycle is beneficial for everyone; but it is critical for any business where attrition is a key issue, especially membership based and non-profit organizations. Customers are more expensive to acquire than to retain. Growth targets are much easier to reach by keeping those members who might otherwise not renew. A web supported direct mail program with very specific personalization will bring better results than direct mail alone. This increases the customer base by improving retention rates and long term customer loyalty.

## Key Event Management



Key events such as mergers, acquisitions, new product launches, and initial public offerings (IPOs) present a unique opportunity to communicate with not only customers, but all stakeholders. This is especially true in the face of challenges such as accounting or compliance issues, regulatory or private law suits, and key officer resignations or dismissals. This will



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maintain brand loyalty and minimize disruption. The benefits of a key event management program include:

- Maximized revenue gain or minimized revenue loss
- Increased brand loyalty and reinforcement of a strong, long term relationship
- Decreased customer turnover due to event driven issues
- Increased product line use regardless of event

Multiple and personalized mail to customers is critical to new product introductions to build awareness and capture sales opportunities for items that have a complex sales cycle. Efforts for items requiring a large investment should begin as far ahead as necessary to enter the sales cycle at the right time. Even if a major product or service is not due out for a year, the time to begin building awareness may have already past.

## The Bottom Line

Variable data printing campaigns are a cost-effective and powerful tool for building a client database, increasing awareness, staying in front of customers, entering the sale cycle at the right time, capturing current sales opportunities, managing life cycles, and minimizing disruption from key events. The end result of a successful VDP campaign that includes direct mail, variable data printing, opt-in marketing, and personalized URL's is a database of information. By using the data collected from "soft leads", surveys, and opt-in marketing, highly targeted campaigns can be developed that will increase response rates and improve ROI.

Variable data printing makes it possible to create engaging, personalized and timely marketing campaigns. With proper planning and implementation VDP is perfect for integrating direct mail with the web, consensual and database marketing while avoiding the necessity to print large quantities.

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<sup>1</sup>USPS.com/directmail

<sup>2</sup>Ernan, Roman, and Hornstein, Scott. Opt-In Marketing. New York: McGraw-Hill, 2004.

## About The Author

James Michelson is a principal at JFM Concepts, an honor graduate of the George Washington University, and a former Naval Officer with more than 15 years of executive marketing and sales experience. Upon leaving active duty, he earned a Masters degree in Business Administration from Jacksonville University. James has held key sales and marketing positions at the executive level for both Fortune 15 and small firms in a variety of industries including defense, manufacturing, construction, finance and retail. His extensive experience in developing sales and marketing campaigns for companies both with and without direct sales forces has produces explosive and profitable growth. He specializes in developing programs that improve response rates and maximize return on investment. James is also an adjunct professor of business, teaching students how to create world-class marketing and sales campaigns in both theoretical and practical ways.

## About JFM Concepts

JFM Concepts is a full service marketing agency that provides technology and marketing support to commercial printers, marketing agencies, and a few select direct clients that seek to leverage the latest tools in 1:1 cross media marketing applications.

VDP Complete<sup>®</sup> is the firm's turn-key marketing system which allows prospects to be identified and communicated to using the latest variable data methods as are described in this paper. For additional information on any aspect of VDP Complete, Profile Complete<sup>™</sup>, VDP Mail<sup>®</sup> or VDP Web<sup>®</sup>, please contact us or a preferred partner.

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