

BEST PRACTICES FOR DIGITAL PRINT MARKETING

INTRODUCTION

For years, slick, sophisticated marketing programs have been developed largely by big, corporate marketers with deep pockets and seemingly limitless print options. If you are a small or mid-sized business, you may feel that your marketing, particularly your print marketing, cannot compete. It's too expensive to print high-quality, four-color mailers in run lengths you can afford, too expensive to develop customer databases, deploy long-term customer retention campaigns, and communicate using multiple media channels (such as print, Internet, and SMS text messaging), and more.

That used to be true, but things are changing.

The fact is, just as the Internet has leveled the playing field for small businesses by allowing them to create websites indistinguishable from those of large corporations, digital printing has leveled the playing field in terms of the quality and sophistication of print. Not just because the technology allows marketers to print high-quality, four (plus) -color jobs in extremely short runs economically, but because business model changes within the commercial printing industry have brought even the most sophisticated print marketing applications, such as personalized URLs, 1:1 personalization, and Web-based, centralized brand and document management, into the range of smaller budgets.

How can this be? Offset presses are huge machines that cost millions of dollars and are expensive to maintain and run. Just firing one up, getting it up to color, and obtaining the first salable copy could cost your print provider hundreds of dollars. That's before they start printing your job.

Digital presses, on the other hand, use the same basic technology as printers and copiers—only on steroids—so they have little or no make-ready. This results in a constant per-piece cost, starting with the first copy. One hundred copies of a brochure printed on an offset press might cost you \$500. On a digital press, it might cost you \$35.

What does this have to do with marketing? Reducing upfront investment and minimizing warehouse inventory are production issues, not marketing issues. Or are they? These characteristics have marketing consequences, too. Think about the impact of being able to personalize or print in very short runs economically.

- It allows you to more closely target your customers.
- You can send out more marketing “touches” with the same marketing budget.

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- You can do more market testing.
- You can respond to customer inquiries for collateral materials more quickly, even within 24 hours.
- You can develop entirely new products and services based around the capabilities of these presses.
- You can personalize each direct mailer, targeting your customers or prospects based on information you know about them from your database.

Taking advantage of these opportunities requires thinking beyond digital print production, however, into digital print marketing. This white paper will look at some of the best practices to help you get the most out of what these technologies have to offer.

Best practices for digital printing

Just as with any technology, these success factors start with the fact that it is not the technology itself that makes the difference. It's the solution you build around it. That's what's so exciting about digital printing. It's the types and flexibility of solutions that it opens to marketers of all sizes, from the smallest to the largest.

If you are going to be folding digital print applications into your marketing mix, here are nine basic "critical success factors" you want to keep in mind.

1. Change document and marketing management models, not just output technology.

Digital printing may give you more flexibility to do things like print in four-color at the same cost or print smaller volumes at a time, but if that's the only way you capitalize on this technology, you are missing the point. Digital printing is capable of revolutionizing the way you approach your marketing and document production and management. That doesn't happen merely by incorporating more color or saving money on document costs.

Take the example of HealthNow, a regional affiliate of a national insurance company. Before switching to digitally driven information packets, its information packets were large, often reaching 70 pages each. Not only were these packets time-consuming and expensive to print, but customers often complained that the information was difficult to understand.

So the company launched a new approach. It began personalizing the guides at the plan level. This alleviated subscriber confusion caused by the inclusion of irrelevant information. Plus, it reduced the size of the packets from 70 to 20 pages. This slashed production costs by 50%–60%. Administrative costs and calls to its service center were reduced, as well.

This is just one company, but it illustrates the larger message of digital printing. The idea isn't just to change how you print. It's how to use the technology to change how you do business or how you market. It's a more fundamental change.

2. Don't think about technology. Think about solutions.

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As in the example above, the greatest gains in digital print are typically made when combining applications to create a larger solution. Some are difficult to classify by application type because they combine multiple elements, such as print on demand, versioning, personalization, and Web fulfillment.

Consider the success of the in-house graphics department at Villanova University. Before implementing a digital, print-on-demand workflow, students and professors submitted jobs manually and it took a full day to produce. Sometimes jobs got lost in the shuffle. To increase efficiency and drive down costs, Villanova's Graphic Services department implemented an automated fulfillment system for online submission of jobs output on the department's four Canon 7095s. In just the first two years alone, overall revenue for the department increased by 18% annually and cost per copy dropped significantly by lowering labor costs.

The key isn't on the application itself. It's what the solution can do. The marketer says, "This what I want to accomplish." The print provider puts together the necessary technologies to make it happen.

3. Traditional marketing rules apply.

When marketers begin implementing many of today's digital printing applications, there can be the misperception that the technology (such as personalized URLs, database-driven personalization, or Web-to-print customization) will in itself drive response. Not so. This is still marketing and it is the creative, the marketing message, the offer, the incentive, and the list that determine success.

4. Don't just print in short runs. Target using segmentation.

With digital production, it's easy to think about POD (print on demand) and JIT (just in time), but it's more important think about what these capabilities mean for marketing. The ability to break a run into smaller runs has enormous implications for targeting and segmentation.

Start by creating customer personas, or customer profiles around different demographic segments that you wish to reach. Get to know these personas by using focus groups or card sort testing (usability testing) to create psychographic profiles to learn how members of these customer segments think, what motivates them, and how they behave. Then develop short-run, targeted (or personalized) campaigns based on what you learn.

5. Test everything.

Breaking a target market into target segments is an important component of digital print marketing, but unless you are testing which offers, which messages, and which graphics are most effective with each target audience, you are just guessing at what works. Great marketing starts with creating these customer segments, but initial "guesses" need to be refined with testing. Then you can wrap the lessons learned around to the next campaign to continually improve results over time.

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For example, a national carpet company used both card sort testing and A/B testing to refine its marketing message before deploying the full production of marketing collateral. The company was producing educational pieces as leave-behinds for sales calls and they were looking to determine which approach was the most effective: a softer, more educational sell or a harder sell with a direct call to action.

First, it created “personas” for different customer segments that were targeted for in-home visits and carpet consultations. Then it asked individuals representing those personas to participate in a card sort test so it could refine the elements for each approach. Next it created two different versions of the two leave-behinds left at the prospects’ homes during the test period. The company tracked which prospects responded by asking for more information and which converted all the way to a sale.

No longer was the question left in limbo. The direct call to action was a standout in terms of effectiveness. With solid testing in hand, the company was now ready to do the full production run using the version that had clearly proven itself to be most effective.

That’s why one of the critical best practices for any digital print marketing program is to test, refine, and test some more.

6. Think about pricing, not in terms of individual project cost or per-piece cost, but how the project impacts the bottom line.

One of the biggest mistakes that marketers make when evaluating digital print applications is thinking too narrowly—about short-term investment rather than long-term gain. Or about the initial outlay, not bottom-line growth. It sounds counter-intuitive to spend more on a per-piece basis and still end up increasing your margins, but it happens.

The true impact can only be evaluated by looking at your business in a holistic sense and understanding how any given solution impacts your bottom line once all costs are taken into account. This is where understanding things like total return on investment, cost per lead (rather than cost per piece), and cost per response are so critical.

One specialty dental practice, Dr. Mark Wilhelm, sent out two waves of personalized mailings to 468 general practice dentists. The campaign had a 4.06% response rate, but with a 68% conversion rate of area dentists joining Dr. Wilhelm’s study club, the program was a huge success. Every dentist who refers a patient to Dr. Wilhelm represents an average of \$20,000 in revenue. Even 4.06% response rate was tremendously profitable!

7. Utilize the benefits of multi-touch and multi-channel.

Testing continually shows that programs that use multiple touches through multiple media channels to reinforce a message are generally stronger (even those using personalized printing or other targeting marketing approaches) than programs that rely on a single medium alone.

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In fact, in a survey of 416 marketers conducted by InfoTrends , very few were doing single-channel marketing campaigns anymore. When asked the average number of media types used in a direct marketing campaign, 56.1% said they were using three or more.

We are just starting to scratch the surface of how multi-channel marketing can use complementary media to boost the effectiveness of the message. This fact has not been lost on the top marketers as they consistently increase their multi-channel approach to their marketing year after year.

8. Make a long-term commitment.

Sometimes the benefits of digital-printing-driven applications are felt right away. Other times, they are accrued over time. Too often, marketers evaluate the value of these campaigns on a short-term basis instead of using the flexibility offered by digital production to test, refine, and optimize programs over time.

In other words, the marketers who gain the deepest benefits from digital printing are those who have a philosophical commitment to them. They see themselves as making a shift in marketing and document management model that goes beyond a single or even a series of campaigns. The deeper your commitment to this approach to document management and marketing, the more you will benefit from it.

9. Evaluate costs differently

Even with the potential for much higher returns, some marketers may balk at the upfront costs of some digital printing applications. However, well-executed digital printing campaigns can cost less on a per-project basis than traditional applications because they are often based on smaller, more targeted mailings or take advantage of cost-efficiencies and amortization inherent in the digital workflow. Therefore to evaluate the success of these campaigns, you need to look at metrics such as response rate, conversion rate, cost per lead, dollars per sale, and ROI.

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 high-end resorts. The brochures detailed the purchaser's travel plans, provided photos and itineraries for their actual visit, and were mailed out with 48 hours. Were the brochures costly? Sure, probably \$1.00 to \$2.00 apiece. But the program vastly reduced cancellations, which sent the program's ROI through the roof.

These methods of evaluation are not natural to many companies focused so heavily on cost per piece, but the more they begin to understand them, the more they will be able to accurately evaluate the true bottom-line costs and benefits of today's fastest growing and most powerful print applications.

Conclusions

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In the end, the takeaway is that the importance of digital printing to your business has little to do with the technology itself—its costs and its output capabilities. It's about transforming how you think about your marketing and changing the way you evaluate the cost-effectiveness and the success of your campaigns.

Although all of this starts with toner-based printing, the important thing is not the guts of the machine, whether it is digital or offset, black-and-white or color, but the way it can be combined with other technologies to create broader solutions that make a real difference in your business.

About NextPage

NextPage combines the best of technology, talent and service from Mail Print, Graphic Services Printing and L & L Manufacturing. The company specializes in the execution and delivery of complex, data-driven multi-channel direct marketing. Siblings Eric Danner and Gina Danner, along with their partner Larry Wittmeyer, Jr., own the company. The three owners maintain intense focus on redefining print in the midwest region.

NextPage is an industry leader in the latest direct marketing technologies, including Variable Data Printing, Personalized URLs, Web-to-Print and Print Automation workflows.