connect

April/May 2011

by **MAIL PRINT**

Creating Brand Loyalty in the Inundation Age

Is your brand creating Permanent Relationships?

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It Is About the *Who*

(not the musical group)

In the movie "The Social Network," Facebook founder Mark Zuckerberg is characterized in a less-than-flattering manner. The story goes that he stole the idea and utilized his programming prowess to develop a social network at Harvard University.

Today, Facebook has more than 600 million users and is valued at over $50 billion. The employee list is a who's who of hackers and software mavens. However, if you look a bit closer you will notice that the cornerstone to Facebook's success is not what they have built. Their success has less to do with computer programming and more to do with the fundamental foundation of WHO uses Facebook: friends connecting with friends.

The old adage of two friends telling two friends is largely in play at Facebook. The best endorsement comes from your peers. Interestingly enough, Facebook did not begin by marketing itself to the entire world in hopes of getting some traction. They started at one school and let it go viral from there. The key to their success isn't about the technology—there are thousands of people who can program like Facebook does. Their success is the result of owning a place in our lives.

An economy that is built upon pure consumerism is not sustainable. In other words, if organizations continue to define themselves by the technology or products they create, then they are inviting a great deal of competition and substitution. The results can be commoditization and short-lived success.

On the other hand, companies that define themselves by WHO they serve will enjoy long-term prosperity. When we are defined by the customers we serve, a level of understanding and intimacy is born, creating amazing relationships and a real competitive advantage.

Building a real connection with a market and having great understanding of their ambition is critical. In the article *Building Brand Loyalty in the Inundation Age* we share the insights of some world-class marketers about the merits of having a true relationship with your market. Also, *Print 2.0–Smart Print That Works Harder* reminds us how print, utilized smartly, offers an amazing way to help build a community and a high level of trust.

We are proud to present you with the April/May edition of Connect. We believe it is another step in defining ourselves by the people we serve. We believe it is the WHO, not the what, that is important. More specifically, it is you, our friends, customers and partners that really count.

Warmest regards,

Mail Print

> Companies that define themselves by **WHO they serve** will enjoy long-term prosperity.

What is that thing?
Throughout *Connect* you'll notice QR codes like the one above linking to additional content online. To use a QR Code:

1. Download a free QR Code scanner to your smartphone from your app store or http://scan.mobi.
2. Using the scanner on your smartphone, take a picture of the QR Code.
3. You'll be linked directly to an online article, video, or other content.

Ready to try it out?

Scan the code above to read:
Guide to QR Codes for Direct Marketers.

CONTENTS

Interactive Marketing Trends
## from the CMO Council

Research from the CMO Council show that as interactive marketing technology continues to expand, many marketers are struggling to stay abreast of best practices and find the right marketing mix for their organization.

@@@ On average, the top online retailers sent each of their subscribers three promotional emails during the final week of January 2011, according to Chad White, research director at Responsys. That's up 18 percent from a little more than 2.4 year-over-year.

In 2011, 10.8 percent of all U.S. online ad spending will go to social networks. Next year, this is expected to rise to 12.1 percent.

Almost a third (30 percent) of marketers predict that video advertising will be their single biggest investment for 2011.
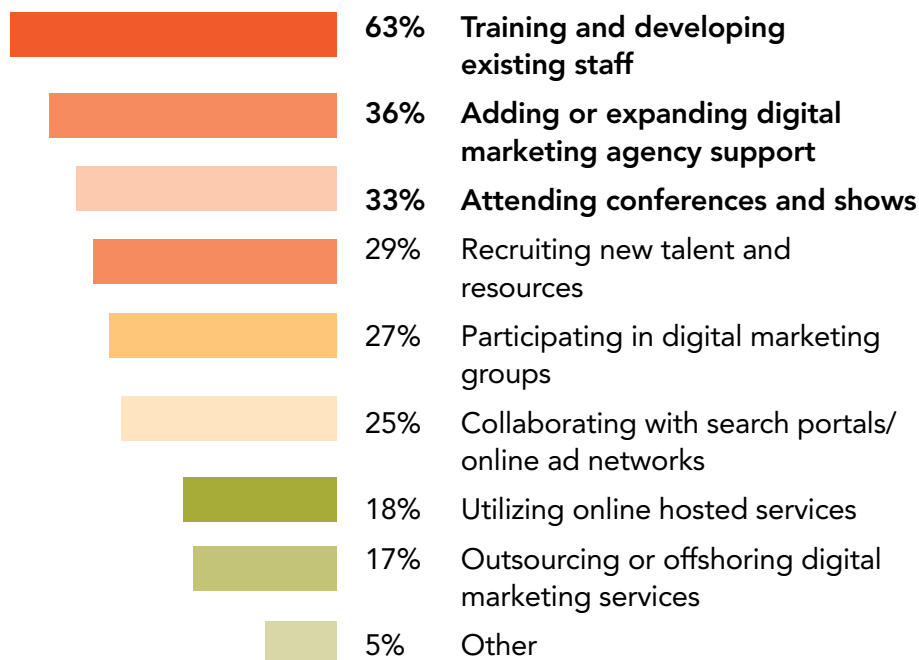
49% 44%
7%
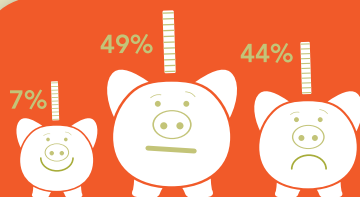
Only 7 percent of social media marketers think social media is producing ROI and, as a result, are willing to budget liberally. While 49 percent think it is a promising tactic that will eventually produce ROI, nearly the same numbers (44 percent) are much more skeptical and unwilling to invest more.

For more CMO Council Fast Facts, visit www.cmocouncil.org

Survey of marketers: what are you doing to acquire or grow online / interactive marketing competencies? (Select top three)

- 63% **Training and developing existing staff**
- 36% **Adding or expanding digital marketing agency support**
- 33% **Attending conferences and shows**
- 29% Recruiting new talent and resources
- 27% Participating in digital marketing groups
- 25% Collaborating with search portals/online ad networks
- 18% Utilizing online hosted services
- 17% Outsourcing or offshoring digital marketing services
- 5% Other

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Survey of marketers: to what degree are competitive best practices being analyzed, tracked or adopted by your marketing team?

1% 9% 32% 15% 43%

- ▶ Extensively
- ▶ Moderately
- ▶ **Somewhat**
- ▶ Not at all
- ▶ Don't know
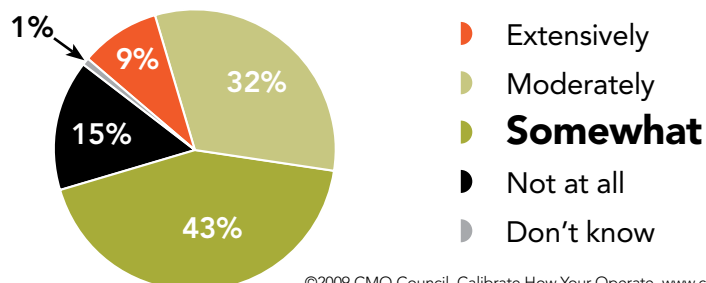
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Channel Preference and Results

B2B Attitudes Toward Marketing Channel Choices

Pitney Bowes surveyed 4,000 B2B marketers—divided equally throughout the U.S., U.K., France and Germany—to uncover current B2B thinking regarding marketing channel choice and business communications in today's complex and challenging communication environment.

Examining stand-alone and multichannel B2B marketing efforts for generating business:

»» **Direct mail comes out as the top stand-alone channel.** In the U.S., 19 percent of companies feel that stand-alone direct mail generates the most business for them. In the E.U., 12 percent of companies report this.

»» **In comparison to stand-alone direct mail, 10 percent of U.S. companies favor solo email campaigns** (8 percent E.U.) and 7 percent rely on stand-alone search engine marketing (6 percent E.U.).

»» In contrast, **more respondents favor integrated marketing as the best approach:** 30 percent of U.S. firms cited a combination of mail, email and web campaigns as generating the most business for them (27 percent E.U.).

The survey also finds:

An average of 50 percent of B2B companies in the U.S. and 53 percent across the U.K., France and Germany (E.U.) report it is increasingly difficult to reach and influence customers as a result of media fragmentation.

B2B marketers recognize the enhanced effectiveness of combining traditional and digital channels—58 percent of U.S. firms and 53 percent of E.U. firms feel that concentrating solely on electronic media would seriously damage their ability to generate leads.

ROI: Summary of Sales Driven Per $1 of Direct Marketing

The Direct Marketing Association recently released new findings on the historical and projected returns of direct marketing channels. Results are calculated to show the average return on investment for a dollar spent in each channel.

Return by Medium	2004	2010	2014
Direct Mail	**$12.33**	**$12.57**	**$12.61**
(Non-Catalog)	$15.59	$15.28	$15.48
(Catalog)	$7.06	$7.34	$7.27
Telephone Marketing	**$8.49**	**$8.42**	**$8.29**
Internet (Non Email)	**$25.93**	**$19.86**	**$19.77**
Internet Display	$25.53	$19.57	$19.21
Internet Search	$27.60	$21.90	$21.93
Social Networking	NA	$12.45	$13.02
Internet Other	$17.59	$16.75	$17.03
Email	**$58.01**	**$42.08**	**$36.70**
DR Newspaper	$13.26	$12.26	$11.89
DR TV	$7.02	$6.62	$6.48
DR Magazine	$10.30	$10.26	$10.06
DR Radio	$8.66	$8.28	$8.09

* Direct Marketing Association

Are your customers this devoted?

Creating Brand Loyalty in the Inundation Age

By Lorrie Bryan

In the world of luxury bridal engagement rings and wedding band jewelry, amidst a landscape of economic recession and declining marriage rates, the Scott Kay brand stands strong with more than 2,000 retail partners, a number that is growing daily.

How did Scott Kay become the industry leader in an environment where consumers are increasingly overwhelmed with advertising messages? By grasping this key insight into their customers: ***It's not about the ring.***

Discover your brand's promise.

"We always shock new, retail jewelry partners, who obviously earn a living selling rings, when we speak five words: It's not about the ring," says Dan Scott, CMO of Scott Kay. Instead, the company has built a brand and value proposition focused around the significance of their product in their customers' lives, a brand best summed up by founder and CEO Scott Kay: "Never compromise when selecting a future family heirloom."

> ## "Effective branding starts with an easy to understand, consistent and appropriate promise that connects your product or service to the wants or needs of an individual."
>
> – Dan Scott, CMO of Scott Kay

Scott says that simply put, good branding is a promise as well. "Our brand touches people with an honest, memorable and emotional message, and as a result, we are the best-sold bridal brand in America. We earned that title by starting with a brand message so powerful and engaging it became a promise, an assurance: never compromise. We will never compromise when designing and crafting a ring of such utter importance. So our brand is about much more than jewelry—it has deep, life changing meaning. Find your brand meaning and you have your promise."

Make it personal.

Dr. Robert D. Winsor, Professor of Marketing at Loyola Marymount University, says that in this age of information inundation making a personal connection with customers is the key to developing a brand that pays long-term dividends. "You have to make a personal connection with customers through your brand. Your brand has to connect with people on some level: emotional, personal values, or a sense of personal identity or community. People want to purchase, and own, and publicly consume brands that mesh with their own values or project an identity that they feel is flattering or empowering. This sense of identity or community is very potent for consumer brands."

Scott says that branding is more personal now than it has

ever been before and for good reason. "Effective branding starts with an easy to understand, consistent and appropriate promise that connects your product or service to the wants or needs of an individual. The result is like a relationship; one must know the other, have trust, respect and an attraction on some level for it to work. I often remind my department that we are not marketing to companies; we are offering a promise to each person within a company or consumer group. Get personal and your brand will experience growth."

Wells Fargo, who enjoys the distinction of having one of the largest and oldest brands in the country, opted to make it personal when they were developing the brand for their new financial securities division, Wells Fargo Advisors. "We want our messaging to focus on our client and their needs, so we decided to use the word advisors rather than investments, securities or investing services. Advisors reflects the relationship that we have with our clients and the significance of our role in helping them achieve their personal financial goals," explains Chris Moloney, Senior VP of Marketing for Wells Fargo Advisors.

Branding is mission critical.

Unfortunately, in today's measure-to-validate world, branding budgets have frequently been cut. But as Winsor explains, spending money on an effective branding program actually leads to higher profits in the long run. "Branding is the most important thing a business can do. Branding does two primary things that are of great value to a business. First, effective branding has the ability to provide a company with what economists call monopoly power. This means that through branding, a product can be differentiated from its

competitors in a way that essentially eliminates competitors from consumer comparisons. If consumers perceive your product or service to have many available substitutes in the marketplace, your price is limited to whatever those other companies charge."

"In other words," Winsor continues, "branding allows you to charge higher prices because you have demonstrated to consumers that you are not merely a commodity. Thus, effective branding is a primary driver of profits because it gives companies pricing power in their markets."

The second benefit of branding is that it facilitates brand loyalty, and this means you don't have to spend as much time or resources in selling and promotion efforts, because consumers already seek out your brand. "Thus, your costs are lower. Loyalty also allows you to charge higher prices, so again, effective branding directly leads to higher profits," adds Winsor.

> "Effective branding is a primary driver of profits because it gives companies pricing power in their markets."
>
> – Dr. Robert D. Winsor, Professor of Marketing at Loyola Marymount University

Romance your product or service.

Ongoing branding efforts are important, because brand equity typically takes years to build, but can be destroyed very quickly, particularly in an age where news travels quickly. Winsor says it is essential to backup your branding efforts with product and service substance. "Brand image, or selling, or advertising might get you the first sale, but repeat purchases typically only come from positive customer experiences based on quality or performance. If branding efforts are great but the product is poor, the overall result will be ineffective. No amount of branding can save a terrible product. And, conversely, if the product is great but branding efforts are poor, the overall result will also be ineffective. Many great products have failed due to poor branding efforts. So, to improve buyer perceptions regarding your brand, you have to invest in both areas simultaneously."

If you have a genuine, marketable product or service that is competitively priced, fills a void and offers truth behind a promise, Scott says you need to start romancing it. "Think of the benefits over features. Think about how your product/service is unique and, most of all, how it will affect a person's life. If you will tell a story through your brand that touches a person (B2B or B2C) you will get them to buy into the brand promise because there is substance behind the brand."

Find the best way to tell your stories.

With a multitude of media vying for attention, the rising relevance of social media and the diminished effectiveness of traditional media, companies are frequently scrambling to find the best way to tell their story. "Traditional branding tools don't necessarily translate well to online markets or social media," says Moloney, who has spent the last decade working with Internet marketing.

"The experience is different and the expectations are different. It's dangerous to assume we know what works best today—what worked yesterday may not work today. A 30-second TV commercial seems intrusive when it precedes a one-minute news clip online, and might actually affect your brand adversely despite the relevance of the content. We are taking a test-and-learn approach and constantly evaluating customer responses."

"Keep strong on the message with unwavering consistency, and ask your buyers how you are doing along the way," Scott suggests. "After all, you can't brand your product by sitting in a corner office or conference room all day. Get to the people who associate with your brand—they will appreciate you asking, and you will learn how to give them more of what they want and need."

Branding still creates the kind of success that lasts. In other words, having a brand that people trust and love will result in a *permanent* relationship. C

From the blog:
Learn how to promote a unified brand message across your network of locations and users:

Overcoming The Fear of Losing Control to Field Sales and Marketing

Scan this code with a QR Code reader on your mobile device, or go to http://bit.ly/brandingcontrol to read the article.

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SMART PRINT THA...

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T WORKS HARDER

By Lorrie Bryan

The owner of a local franchised restaurant decides to increase business by advertising, and a friend suggests she should use an email blast to promote her restaurant. She considers this—she is an avid Internet user and has had a Facebook account for awhile. But she knows how much she hates getting intrusive emails and how few of these she ever actually reads. Everyone else probably feels as bombarded with electronic media as she does. In contrast, at the end of the day, people like herself, her target audience, might be happy to find a postcard in their mailbox that offers a discount on dinner at a nearby restaurant. So she goes into her franchisors' marketing storefront to research direct mail postcards.

The local franchise owner anticipates a ho-hum corporate marketing postcard that gives her no ability to tailor the postcard to her needs. Instead, she is delighted that the system provides multiple options and best practices. She is also surprised to see information on using multiple channels, including options for utilizing social networking along with direct mail postcards to not only increase restaurant traffic, but also establish a customer data base for future use. Links to ideas, best practices and case studies are provided throughout the online ordering system.

After careful consideration, she selects a customizable campaign that allows her to create a targeted mailing list, postcard and personalized URL (PURL). Attractive postcards that direct users to a PURL are mailed to area families with a coupon offering a complimentary children's dinner with the purchase of an adult dinner. List selection is easy with the demographic and psychographic targeting tools provided by the franchisor and it happens intuitively with a few of clicks of her mouse.

At the PURL, users validate their information, answer a few questions, and are given the capability to effortlessly share the offer on Facebook. As an incentive, all recipients who share the offer with friends are automatically entered into a sweepstakes to win 10 free family dinners. After completing the process, users are able to print the coupon and bring it into the restaurant for redemption. (See graph for campaign results.)

Restaurant Multi-Channel Campaign Results	
Postcards mailed:	5000
PURL coupon downloads:	1250
Posts to Facebook from PURL:	1200
Coupon downloads generated from Facebook:	6500
Total Responses (Coupons Downloads):	7700
Coupons Redeemed:	1250
Database Size Increase:	From 0 to 7700

Print 2.0 to work for you.

Today, smart companies understand how to leverage the inherent value of traditional print with Internet technology. The old adage says, "Work smarter, not harder." Today's print (we're calling it Print 2.0) melds the virtues and value of traditional print with the intelligence and efficiency derived from digital technology to create smarter integrated marketing. Here are the critical success factors to put marketing Print 2.0 to work for you:

1. Know your customer.

Successful marketing with old-fashioned print ads or high-tech QR codes begins with a thorough understanding of the person you are trying to engage. "Know how they behave, know them inside and out," says Jonathan Turitz, creative director at VSA Partners, a premier graphic design and brand strategy consultancy. "All media is being tested in today's world. Because we are so inundated with information, everyone is working harder to be heard. The key is to be smarter. For print advertising to succeed, you need to know your target audience's psychographics as well as their demographics. What are their values, attitudes and interests? What are their lifestyles and their desired lifestyles?"

2. Make your message as relevant as possible.

By combining a targeted list with relevant messaging, you can speak in particular, not general terms. The days of carpet-bombing marketing are numbered, according to Print Council Executive Director Ben Cooper. "Randomness has been replaced with relevance; volume has been replaced by targeting as a critical success factor for print."

Since there is a proven correlation between the relevance of the message and the response rate, more and more direct mail pieces are utilizing Variable Data Printing (VDP) technology for personalization, versioning and customization. "The per-piece cost for VDP is higher," notes Cooper. "But the higher response rates are

Want to learn more about how you can use variable data? Watch this video, which includes three case studies, at http://bit.ly/vdpvideo or use your mobile device with this QR Code:

What is this? See page 3

causing marketers to think about the cost of printing differently. They stop thinking about the cost per piece and start thinking about the cost per response. Variable data printing costs more per piece but each piece can be significantly more relevant. Increased relevance means greater response and ultimately that leads to a greater return on investment."

3. Use print in tandem with other marketing channels.

Although Internet ads strive to be relevant, they are frequently perceived as intrusive, and many Web users tend to ignore them. Many unsolicited emails are sent straight to the spam file. Conversely, if you receive something in your mailbox from a restaurant offering you a free child's meal or a free meal on your birthday, you may be more receptive and inclined to take action. A multi-channel approach to marketing has the best chance of being successful.

Many marketing experts contend that seven is the magic number of times you should reach out to a prospective customer. Dr. John Leininger, Professor of Graphic Communications at Clemson University, says he tells his graphic communications students

"By mixing the message across different media you increase the likelihood that the recipient will see the message."

– Dr. John Leininger, Professor of Graphic Communications, Clemson University

they should reach out to their clients in a variety of ways, utilizing print as an integral element of a multi-channel campaign along with PURLs, QR Codes and email. "By mixing the message across different media you increase the likelihood that the recipient will see the message. Many studies have shown that direct mail combined with cross-media in a multichannel campaign produces higher response rates."

In our example, the addition of the PURL provided a mechanism to access the Internet while demonstrating the power of social media. This offer could also have been delivered via email, and the PURL could have asked for channel preference to deliver future communications in the method of choice for the recipient.

4. Utilize digital tracking technology to optimize content.

Not only are multi-touch campaigns more effective, they have the potential to increase efficiency and significantly reduce marketing spending by tracking responses and refining databases. Referred to as "print with intelligence built in," PURLS and QR Codes provide response tracking that helps segment prospects appropriately. This means marketing strategies can be more specifically tailored and communications can be further personalized.

5. Reduce cost by utilizing interactive marketing storefronts and print automation.

"It can all be automated," Leininger says. Unlike mass mailings and generic blasts, automation programs offer tailored efficiency. All types of direct marketing touches: postcards, emails, PURLs,

For more information on Creating Trackable QR Codes go to http://bit.ly/trackqr or scan this QR Code with your mobile device.

What is this? See page 3

and text messages can be personalized and delivered at designated time intervals based on predetermined parameters. Online ordering systems streamline this process for small marketing departments, as well as for large companies with distributed locations and sales forces.

"Printers are more attuned than ever before to the needs and goals of their customers, and they are equipping themselves to meet those needs by becoming experts in multichannel marketing and database management," affirms Cooper. "There is no static state—everything is changing and growing. Printers are continually adapting, becoming smarter, taking on the burden of understanding how to use new marketing tools in this ever changing world." C

Integrated Marketing and Voice-of-the-Customer

By Daniel Dejan

"Marketing communications" was much easier in the early 1990s because the only choices to launch a sales and marketing strategy were television, radio, outdoor, and print in its many forms. A few alternatives, which fell under the heading of "other," were not recognized yet as conventional marketing communication, but rather as beta technology for the digital revolution. Making the right media decisions required lots of market research and often employed focus groups (if you could afford them) to determine which media to utilize, to what extent, and which messages would resonate with target markets. Measurement and return-on-investment (ROI) provided the ground rules, and green flags, for future endeavors.

Fast forward to 2011 and the vast options in media channels today. Which marketing tools and what messaging will help your company achieve the ultimate goal of winning the battle for top-of-mind recognition and brand loyalty among your target market?

Confusing and challenging, isn't it? There is an elegant and efficacious solution: ASK the target market how they would solve the conundrum. According to a Peppers and Rogers white paper, Relationship Marketing 3.0, their 2009 survey indicated that tapping into and implementing the voice-of-the-customer is the most profound process to achieve both relevancy and timing—two of the most imperative and vital attributes to any current campaign. Using online surveys to engage customers when forging a new marketing campaign can guarantee the success of most branding, prospecting and loyalty efforts. Social networking, online advertising and targeted direct mail and email can easily get the survey into the hands of the right people.

Ask your audience:
- How do you like to be communicated to?
- Which media outlets do you prefer to be contacted through?
- How can companies cut through the clutter?
- What would capture your attention?
- How often would you like to be contacted?
- Which media are you most likely to use to communicate with friends, family and colleagues?

Your customers will let you know exactly what they want from your company; whether your sales and marketing efforts are penetrating and successful, how they feel about your latest product or service, and if it does indeed fulfill a need or satisfy a want they have. After all, isn't it the prospective customer we are trying to engage and convert into an actual customer?

By fulfilling the sales and marketing promise, we can establish, maintain and grow a loyal customer base that helps us in the quest towards brand loyalty and growth in sales. Integrating the voice-of-the-customer may be one of the most important elements of the success formula. **Just ask.** ◪

A renowned graphic arts educator, author and consultant, Daniel Dejan is the North American ETC print and creative manager for Sappi Fine Paper/North America.

Voice-of-the-Customer Case Study

Learn how Prairie Band Casino used personalized online surveys to improve their customer loyalty program. Go to www.mailprint.com/PrairieBand or scan this QR Code.

Understanding the New Marketing Operations Lingo

Marketing Asset Management. Print Automation. Marketing Automation. Communications Portals. Distributed Marketing. Web-To-Print. Confused yet?

Wouldn't it be nice if everything fit in a nice, neat package that is easy to understand and explain? In the world of marketing communications, many people might think the above terms all mean the same thing. I actually think they don't. I believe there are so many new terms in our industry because each means something a little different. Here's how I define each:

Marketing Asset Management:
An online library of digital marketing assets such as logos, templates, stock photography, videos and radio ads for use by centralized marketing staff or a network of remote users.

Distributed Marketing:
A term coined to define organizations that have many local markets that are marketed to differently, whether marketing strategy and execution is controlled by a central marketing department or the local stores and locations.

Communications Portal:
A central repository for ordering and downloading all types of marketing communications and assets, including email, logos, direct mail, radio commercials, fliers, buck slips, and more. Marketing Communications Portals are highly useful for distributed marketing organizations.

Web-to-Print or Print On-Demand:
A system that allows users to order printed materials through an online printing management system. Typically, this reduces a company's inventory waste and improves the customization available on the printed pieces.

Print Automation:
Eliminates human intervention in creating printed pieces. This could be obtained via a web-to-print application or communications portal that also employs print automation, or could be a stand alone system that creates printed pieces automatically based upon data streams and live data feeds.

Marketing Automation:
The process of triggering marketing communications to a specific individual or audience segment without human intervention. This differs from print automation in that the automated marketing campaigns could include email, direct mail and other channels, by themselves or combined.

I'm sure there are many more terms and buzz words that I haven't noted here. Just like any rapidly advancing technology solution, new terms and acronyms are created every day. The most important thing to understand is what you really need in a solution, regardless of what it is called.

Rhonda Basler is Vice President of Marketing at Mail Print and a frequent contributor to blog.mailprint.com.

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✓ Have you invested in killer marketing materials,
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or franchisees?

✓ Do your locations struggle to market
effectively and consistently?

✓ Are your users and locations wasting
time searching for or re-creating
marketing materials?

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the country.

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