

Synergy Between New Technologies: The Online World and Digital Printing: The Keys for Enabling New Possibilities in One-to-One Communication

*Dirk Van Thillo
Xeikon NV
Mortsel, Belgium*

Abstract

New technologies such as the Internet are dramatically changing the way businesses interact with their consumers. Marketing is evolving from "broadcasting" to "narrowcasting", i.e. communication with consumers in a very direct and personal way. Along this way TV and print are losing their monopoly as information media.

In this new "multi-media" one-to-one world digital print can play a vital role in the total "communication mix".

Introduction

Digital colour production printing started as a technological solution to the challenge of producing high quality colour print in shorter runs — cost effectively. In this area, true digital presses ("direct-to-paper") compete with solutions that are based on offset printing (i.e. hybrid digital presses that use direct imaging: "direct-to-press"). However, the true digital presses start to show their unique properties when dealing with some form of variability. This variability can range from electronic collation, i.e. the printing of pages in a book in sequence, repeated a number of times, to personalised or individualised documents.

Variable Data Printing has been considered already for some years as the market with the biggest potential for digital colour printing. After all, there has been a huge variable data printing market in black-and-white for many years (direct mail). For a number of reasons however, this market has not been growing as quickly as expected. This is due to a number of reasons. On one hand there are technological reasons: first there was the lack of productive digital front-ends, that could drive the digital presses with graphically complex variable pages at press speed. This hurdle has been overcome to a large extent in the last two years. But what remained was the lack of a standard print language for graphically complex variable documents. The key vendors in the industry recognised this, and developed under the coordination of PODi ("Print on Demand Initiative"), a new standard, called "PPML" ("Personalised Print Markup

Language"). This standard leverages existing technologies such as PostScript and PDF, the standards in page description for static documents, and XML, the standard data exchange format grown out of the internet. So today, technologically speaking, all the elements are in place to make variable data production printing possible.

A second reason why Variable Data Printing has been slow in adoption, is of a marketing nature: most of the content generators, i.e. print buyers, ad agencies, marketing departments in companies, have been unaware of the marketing benefits that individualised print can bring. Not only unaware, but also incapable of developing applications if they would wish to: lack of sufficient qualified database information and related development time/money.

Furthermore, the movement in marketing towards one-to-one communication, seems to be happening more towards new media, such as the internet. As for the use of print, most campaigns are stuck in traditional personalised direct mail, i.e. pre-printed offset with a variable name and address.

Here lies an enormous opportunity: already today some companies see the synergy between the 1-to-1 movement on the web and digital print. They are developing very successful business models on true individualised printing.

The Online World versus Print

Internet A Threat To Print?

At first, one could argue that the internet will be a threat to printed communications. True, the internet has some advantages over print when it comes to getting information more quickly and more up-to-date to the information consumer. But more information available will surely mean more information printed.

The internet will definitely change the way we print. The increase in desktop A4-sheet printing will be dramatic. But, with limited finishing possibilities, page sizes and substrate capabilities, this will remain essentially quick-and-(not-so)-dirty loose-leaf desktop printing.

There is an important opportunity for value-added printing applications. Sophisticated documents that play a key role in the total communication mix between suppliers of products and services, and consumers.

Convenience of Print

Printed information has some unique properties in comparison to information on a computer screen.

Today consumers have almost instant access to relevant information on the web. So for product and services suppliers it is easy getting information to a prospective customer. But the challenge is how to make a lasting impression on the prospective customer, knowing that with one mouse click, the information is gone again. How does the supplier manage to effectively influence the eventual buying behaviour of the consumer?

Print, however, is persistent. A consumer will typically keep a document if it contains relevant information. Within the consumer's buying decision process he can refer to the information multiple times.

Secondly, print is convenient: one does not need to boot a computer or make an internet connection; one can move around with it at one's convenience. It is clearly more pleasing to look into a nice colourful brochure to choose a car to buy. The lack of successful adoption of e-books clearly illustrates this point.

And last but not least, print has a different "look-and-feel". Certainly when printed on a high quality substrate, finished into a nice booklet, with possibly a gloss-coated cover.

It obviously will depend on the type of application. An application that has to do with factual up-to-date information and decision processes will be well served by online viewing only, e.g. flight bookings or hotel reservations etc. But for any application that needs to appeal to the consumer's emotion, print will be an invaluable complement to online information distribution, and can generate a unique impact.

1-to-1 Marketing in the New Economy

New forms of supplier-client relationships are developing. On one hand, companies set up "Customer Relationship Management" programs, whereby they attempt to better understand each individual customer, and his or her value to the company, and to develop a better service towards that particular customer. One of the key goals is to capitalise on the "lifetime value" of the existing customers. Here 1-to-1 marketing plays a key role.

e-Business is emerging as a new vehicle to do business. Even though the initial hype of e-commerce is over — with various dot-com-disasters as a consequence — the concept is here to stay. What we see today is that the more traditional companies, the so-called "brick-and-mortar" companies, are embracing e-business as a better way to develop the existing business relationships with their customers. Within this electronic driven relationship for commercial information and

transactions, there is a big opportunity for automatically generated individualised documents.

Even outside of the context of e-business, consumers leave their "fingerprints" on websites. Website developers can build in tracking mechanisms to follow a visitor's behaviour, and deduct from that his or her preferences. By providing a convenient 1-click "Send-me-more-info" response possibility, this knowledge can be used to construct an individualised promotional document that can be mailed within hours.

These new driving forces are reshaping the marketing landscape: from mass marketing to one-to-one. Digital printing has the unique feature to extend the 1:1 concept beyond the virtual world in to real printed documents.

The Digital Communication Factory

One thing is clear by now: print definitely has lost its monopoly in addressed information distribution. Rather than in a "single-media" world we live now in a "multi-media" world. Consumers are being addressed through the web, by e-mail, by fax, through the use of call centres and print. Apart from that even newer forms are emerging: mobile phones will become very important information carriers, today through SMS and WAP technologies, tomorrow using broadband internet access (UMTS, or 3rd generation mobile phones).

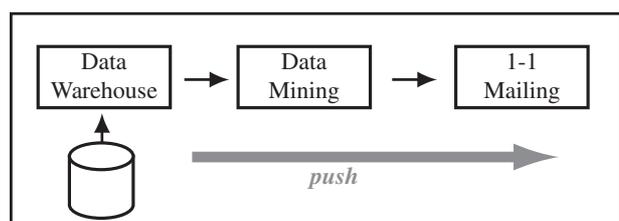
As consumers are presented with this multitude of channels, preferences will develop. Suppliers of information will have to use the communication channels that the recipients prefer. This means that the workflows for information management and publishing will have to deal with these multiple channels, preferably in an automatic transparent way.

One-to-One Mailing Models

In making the transition from a classical direct mail approach to one-to-one marketing, there is also a shift in concept.

Traditional Direct Mail Model: Push

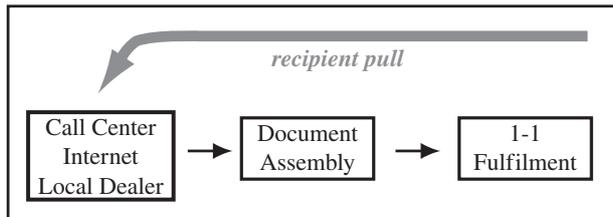
This database-centred workflow starts from a marketing decision to send out a mailing. A target audience is selected, a mailing is designed, and sent out, or "pushed" towards the target audience. The effectiveness of such a mailing depends largely on the quality of the data in the database, the selection of the target audience ("data mining"), and the content and presentation of the message (how well does it appeal the target audience).



Traditional Direct Mail Model: Push

One-to-one Fulfilment Model: Pull

The new concepts described earlier enable a whole new approach to personalised communications. Rather than "pushing" the information to recipients, this workflow is triggered by an event generated by the recipient. Examples can be: a click on a web site (banners), a visit to a dealer, warehouse purchase registrations, a call with a call centre, etc. This recipient triggered event can be associated with data acquired from the recipient. Using this information, a carefully individualised mail piece can be assembled.



One-to-one Fulfilment Model: Pull

As this type of mailing is expected by the recipient, the probability that it will be opened and looked at, and eventually acted upon, is much higher. The return on producing the individualised piece will be much higher.

Case Study 1: Customised new car buyers' workbook

Application developed and printed by Moore Interactive Marketing Solutions, USA.

Market Opportunity

Just a few years ago, prospective car buyers often would read magazines, guides or books for the in-depth information that would help them make an informed choice. Today, according to a recent column in Automotive Industries, as many as 25% of all vehicle buyers go on the Internet before visiting a car dealer.

Auto manufacturers and marketers of related services are using these interactive incidents to reach and influence potential customers in ways never before possible. For companies that publish auto reviews, vehicle comparisons and related information, the implications are clear: learn how to take advantage of these changing market conditions or run the risk of being left in competitors' dust.

Since auto web sites are among the most frequently visited on the Internet, publishers of automotive data can use these sites as another channel for marketing and selling their products.

Application Description

Edmund's, a publisher of prices and reviews about cars and trucks since 1996, turned to Moore Interactive Marketing Solutions to help it develop and produce a unique product for its own web site. Site visitors can order a 12-page review, detailed pricing, financing and

warranty information, in-depth comparisons with similar cars and a buying form to calculate actual cost. The workbook costs \$ 9.95 and is sent to car buyers 2-3 days after their orders.

Moore retrieves the digital files directly from the Edmund's web site and uses a Xeikon DCP/32D to print the 11' x 17' pieces (8' x 11' finished) electronically collated, which are then mailed in a window envelope to highlight the car's photo. Edmund's offered workbooks for its entire database of some 300 cars and trucks in early 2000. Edmund's generates additional revenue from its various partner companies (GEICO Insurance, CarFinance.com, Auto-by-Tel and others) for referrals resulting from ads in the workbook.

Case Study 2: Bazzirk Inc., Austin Texas, USA

You've Got the PWR

Bazzirk Inc., an Austin based business-to-business marketing intelligence company, provides another example of this new formula. Bazzirk's PWRplay™ (Personalised Web Response) is sold as an enhancement tool to any company's sales force seeking to elude gatekeepers and secure meetings with top corporate decision-makers.

By using high quality digitally printed customised brochures that lead prospects to their own personalised web site, PWRplay targets a small pool of prospects, but catches some very big fish. The service has been used by the sales forces of companies like Dell and StorNet to garner response rates as high as 67% from America's top executives.

Aperian, a web hosting service and Bazzirk customer, uses PWRplays to set meetings with more than sixty percent of its prime prospects in its Dallas, Tampa, and Atlanta markets. The company plans to utilise this tool in Chicago, Phoenix and other cities later this year.

Atlanta-based IT integration company, CTSinc.net uses the service to schedule meetings with over fifty percent of their prime prospects in each of their markets.

Seeing is Responding

On behalf of its client's sales force, Bazzirk's PWRplay sends a personalised package complete with a premium gift, branded labels, and a full colour, customised brochure. The brochure, printed on a Xeikon digital colour press, contains a personalised URL address and a photo of a unique personalised gift. These gifts range from remote controlled cars to golf clubs. When the prospect visits the web site, he or she verifies information and sets a date for a sales call. The PWRplay comes full circle when the sales person arrives on the set date carrying the personalised gift.

The prospects are almost guaranteed to open the box and see what's inside. The big box typically goes right past the mail room and the gate keeper because it looks too important to toss. And it has a digitally printed label that addresses them by name. They see the toy inside and want to play with it. Then they learn that the entire

package, right down to the URL, has been personalised for them. That's the magic of the play and the reason response rates have gone up to unprecedented levels.

Conclusion

Communicating one-to-one with potential customers can be a challenge amid today's cacophony of direct mail, email, and phone calls. But new focused personalised campaigns are reaching prospects and capturing their attention. Cutting through background noise of mass marketing, innovative techniques are combining the technologies of the Internet with the latest in full colour personalised print.

References

1. "Introduction to PPML: the personalized print markup language", PODi, The Print On Demand Initiative, Dec. 19, 2000; www.podi.org

Biography

Dirk Van Thillo joined Xeikon in the very early days to develop pre press workflows and has been involved with colour variable data printing from the very early days . After having worked in various customer support and sales positions, he set up a group that developed and supported new applications from which several new markets developed such as digital packaging production. Today, Dirk Van Thillo is Xeikon Marketing Director.

Dirk Van Thillo has an Engineering degree and an MBA from Leuven University, Belgium.