

Overlooked Opportunities for VDP

By Frank McPherson

When we kicked off this series on variable data printing several months ago, we opened it with the comment that, when most marketers think about variable data, they think about personalized direct marketing pieces whose sole purpose is to sell the recipient something. But, as we pointed out, direct sales aren't the only way to use VDP.

In this column, I'd like to expand a bit upon these additional uses of VDP by giving you five "non-direct-sales" marketing approaches being utilized by some of this country's top marketers.

1. Generating pre-qualified prospect lists.

Generating prospect lists is a highly effective, yet underutilized VDP application. The idea is to pre-qualify your recipient base by engaging the prospect in a "discussion" that gives the marketer more information about the individual before making the actual pitch.

This approach also provides a starting point for many marketers who may not have extensive in-house databases by allowing them to use rented lists. Marketers may have heard that rented lists are not good for variable data because they tend to be outdated and not contain the kind of detailed personal information that makes VDP effective. For direct sales applications, this is true. However, this approach typically *does* generate enough responses to create an up-to-date, pre-qualified prospect list and provide valuable personal information about the prospect that can be used to refine the personalization on the next round.

The Goodway Group, a marketing strategy group for a consortium of Lincoln Mercury dealers, used this technique to pre-qualify prospects for sales of their automobiles. Surveys were distributed at regional events, and all prospects who completed the survey received a personalized direct mail piece encouraging them to test drive the Mercury Mountaineer SUV. These recipients had not previously shown any interest in that particular vehicle, but once they responded to the mailer, they became qualified leads.

2. Building long-term customer relationships.

As any company involved in Customer Relationship Management knows, not all customer contacts obtain their value from direct sales and prospecting. Sometimes their value is simply in nourishing long-term customer relationships. Creating a sense of goodwill and loyalty is invaluable when you consider each customer's lifetime value, especially when you are talking about high-value products.

For example, personalized newsletters with articles targeted to recipients' individual financial situations are known loyalty-building techniques in the financial services industry. Customers appreciate the updates on their accounts and the continual feed of related articles and news in their areas of investment. The value of saving a few bucks on fees by switching companies often does not outweigh the larger value of the sense that the company cares about them and provides them with information that helps them make good decisions about their financial futures.

3. Pre-filled reply cards

It's no secret that the more work someone has to do to respond to an offer, the less likely it is they will take advantage of it. Even if they are interested in the offer, they are likely to set it aside and say, "I'll do that later," and then forget about it. Pre-filled reply cards remove one of the barriers to getting those responses in the mail.

This was an application run successfully by *Direct Marketing News* when it needed a more compelling way to market its seminars and educational programs. DMN decided to test a variable data direct mail campaign by personalizing half the mailing. It created a piece that included a personal note to the recipient and completed the return form to simplify registration. The result? The publication received a 28% higher response rate; it also found that 65% of attendees enrolled based on the personalized mailing, while only 28% enrolled from the generic mail.

While the promotion did contain other personalization, DMN's success likely came primarily from the pre-filled reply card. This is because most ROI from personalization comes from increased relevance, not using someone's name in a mailer. In this case, the content was equally relevant to all recipients, so the use of the person's name likely had a nominal effect. But the increased convenience of the pre-filled reply card, making it less likely that recipients would lose the card or forget to fill it out, was likely a powerful factor in the elevated response.

4. Ability to ensure compliance

Many marketers may not consider ensuring compliance, such as for prescription drug plans or federal regulations for employee benefits packages, to be a VDP application, but it's proving to be a very popular one. Such plans can be confusing for individuals to follow, and by personalizing them, recipients' understanding — and therefore compliance — can shoot way up.

One U.S.-based pharmaceutical manufacturer, for example, wanted to increase its patient compliance for a patented prescription medication treating a chronic condition. So it initiated a program to track patient symptoms. The patients were surveyed when their first prescription was filled, then surveyed again one year later. An individual progress review was created, with color charts providing a dramatic graphic representation of the patient's reported progress. Today, printing and mailing of this four-page project is now done automatically on a weekly basis.

5. Mail merges

The last overlooked VDP application is mail merges. Typically, the printing and application of mailing labels is a second step that adds time and cost to a print job. Handling this task with variable data can save days on a turnaround and, in some cases, can even make mailing less expensive. At the least, the savings on additional addressing allows the marketer to add personalization at nominal cost.

A good example comes from Merit Industries, a manufacturer of coin-operating electronic amusements. Merit had historically mass-mailed brochures to its distributors through a mailing house. Using traditional methods, the process was too generic and time-consuming; plus, the company wanted to communicate with its distributor network on a more personal level. The decision was made to turn the job into a VDP application with nine variable data fields — the recipient's full name incorporated into the design on the front of the card, while the back included the first name used in the salutation, along with the full name and address needed for mailing.

Variable data printing is more than a direct marketing technique. It's a problem-solving technique that can be applied to far more situations, such as creating pre-qualified prospect lists, increasing compliance, boosting customer loyalty, reducing mailing costs, and many others. So when brainstorming about how to solve customer-related challenges, be sure to

include a VDP printer in the session. You might be surprised how versatile VDP can be.