

## **It's All About Results**

By Frank McPherson

When it comes to any kind of marketing, it's all about results — especially variable data printing. Although VDP tends to be more expensive on a per-piece basis than traditional direct mail, it helps to achieve very high ROIs because the message is so tightly tailored. It's not uncommon to see response rates in the double digits.

But these kinds of results don't drop out of the sky. The more you tailor, the better the response rate. And the better you track, the more you can tailor.

Here is where VDP really soars above traditional direct mail. While you can do tracking with traditional mailings, as well, VDP provides benefits in terms of fine-tuning that are impossible with traditional methods. This translates directly into the bottom line.

It comes down to the ability to track responses on a far more detailed level than can be achieved with traditional direct mail. This, in turn, allows customers to build on this information for future campaigns to improve effectiveness. Instead of tracking at the 50,000-foot level, you can track and respond to individuals on a 1:1 basis.

In certain industries, this can result in a significant competitive advantage, particularly when you need to respond to shifts in customer needs and attitudes quickly, as in finance, retail, and insurance.

Here are three simple ways that VDP can be used for tracking and results measurement and how they can translate into bottom-line results:

### **1. Tracking of demographic information featured in text or images by the client database to assess responses to different offerings.**

Say your client is an insurance company that sends out a mailing to customers or prospects all over the country. It decides to tailor the text and images to recipient by age, geographic location, lifestyle, and any other variables it finds appropriate from its database.

The company knows, for example, that a recipient is 55 years old and lives in Quebec, so it tailors the message and images based on these variables. And it knows that a recipient has grandchildren or children at university,

so it coordinates the appropriate images and text to increase the relevance of the type of insurance being marketed.

As the responses come back, the company can then track the responses by demographic. It might see that the highest level of responses is coming from the people who are 35 to 40 living in Manitoba, for example, or people who are 50 to 55 living in British Columbia. Once the company determines any correlation by age group, area, lifestyle, or combination, future campaigns can be tailored based on this information.

While traditional direct mail can be tracked using this method, as well, variable data print provides a much higher number of potential variables and therefore a higher level of tracking and fine-tuning.

## **2. Mixing different discount levels in the same print run while maintaining postal code sort order.**

As in the example above, barcode tracking, in itself, is not unique to variable data print. Marketers can send out mailers that contain barcodes containing all of the information about the piece, including the promotional offer. When the mailer is returned, the barcode can be scanned to feed that information back to the marketer.

Unlike traditional direct mail, however, where the number of variables to be tracked is limited by the number of variations of the piece, variable data printing allows tracking of as many variables as there are data fields. You can track not only the offer, but the success of swapping out images, the use of charts and graphs, the effectiveness of various type blocks, even basic design elements. One of our customers has determined that its customers respond more positively to a certain typeface, so now guess which typeface it uses?

Another benefit VDP holds over traditional direct mail is that different price points and/or promotional offers can be simultaneously tested in a single mailing, thus accelerating the marketer's knowledge curve. This allows marketers to quickly eliminate what works and what doesn't, and isolate those particular variables that help them get the highest response.

## **3. Imprinting target information (bar codes) on the mailer so that when the piece is swiped at the store level, the information is fed back into the system.**

This is essentially the same as tracking method number two, except that at the retail level, information can be tied back into inventory and distribution control. Not only does this provide ROI information and data on the effectiveness of the various elements of the promotion, but the next time the retailer does a mailing, it can optimize inventory and distribution.

There are many ways to monitor and track the effectiveness of variable data pieces, and these are only three of the most common. In a future column, we'll also talk about the growing application of driving customers or prospects to personalized URLs, which allow tracking to be done in real time.

Whatever method you use, the point is that knowing about your customers means more than just mining a database. It also means knowing what they respond to and why, and then tailoring your campaigns based on the known triggers of your customer and prospect base. The more you track, the more you can refine; and the more you refine, the more effective your campaigns will be.