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PRINTtips

The ABCs of VDP ... Why Its Use is Increasing



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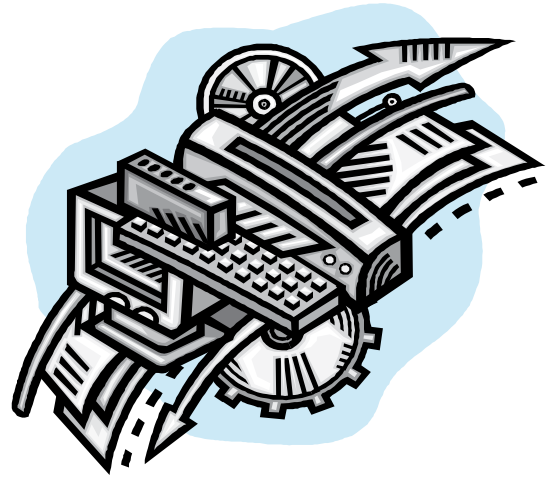
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The availability of digital technology for gathering, analyzing, and storing information, combined with the efficiency of digital printing, has greatly expanded the ability of businesses and organizations of any size to reach out to customers and prospects with a customized message. This ability, called one-to-one marketing, is very different from the one-to-many marketing messages of traditional media.

In one-to-many marketing, the same content is sent to the entire audience, who are assumed to share an interest in the content being sent. In contrast, one-to-one marketing sends a custom message to each individual in the audience, often producing a response of "How did they know I was interested in that?!"

The process for conducting one-to-one marketing is called variable data printing (VDP). VDP can range from a simple mail merge (such as including a person's name in the inside address of a letter) to a highly sophisticated change of text, photographs, and graphic images (such as preparation of a booklet defining insurance benefits, deductibles, and premium payments for a single individual).

VDP is enabled by linking a static page layout with a database of information and a file of photographs and graphic images, then applying a set of rules that tells how to select elements from the database and image files and where to place them in the page layout. Since digital print



creates each copy on-the-fly from a raster image file, it is easy to make every copy unique.

Like most things digital, VDP has evolved since its introduction. Here are some examples of early VDP that you might recognize:

- **Overprint:** adding unique information to previously printed masters or shells. Examples are an overprint of a business's logo, name and contact information on the back of a manufacturer-supplied brochure or an individual's personal information printed on business card shells that have an image of the company's logo.
- **Versioning:** creating several versions of a brochure, with text and images changing depending on the audience being targeted. Examples are a cruise company brochure with photographs of onboard activities geared to the target audience (families, college students, seniors, veteran cruisers) or a different version of a coupon book sent to residents of different ZIP codes.

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“the entire piece can be printed in full color...”

“VDP is an ideal choice for direct mail, promotional flyers, and event promotion.”

- **Mail merge:** printing each individual's name and address and a salutation as an inside address block. The static portions of the letter may be printed digitally at the same time as the name, address, and salutation, or the static portions may be offset printed first.

VDP Pairs Offset Quality with Digital Customization

The early forms of VDP had several tell-tale limitations: the custom information almost always appeared in black ink, and sometimes the font didn't match the rest of the type or the margins weren't even. When overprint, versioning, and mail merge came into wider use, these limitations became recognizable and compromised the effectiveness of the customization.

Today's VDP is markedly different. Using color digital technology, the entire piece can be printed in full color, the custom information can be placed almost anywhere, and custom graphic images like charts and graphs can be created on-the-fly as the document is printing. (Utility bills and credit card statements – known as transactional printing – are two examples of this type of VDP.) When VDP is used for marketing material, each copy is unique, customized, and printed for the individual recipient.

Even without extensive customization, VDP is an ideal choice for direct mail, promotional flyers, and event promotion.

- **Print only as many as you need.** Limit the number of copies to the number in your database.
- **Test market a direct mail piece.** Adjust the content of a direct mail piece for A/B testing, then use the version with the best response rate for the main mailing.
- **Print addresses directly on the mail piece as the piece is being printed.** Eliminate labels and hand-addressing.

VDP Use is Growing

The Who's Mailing What! Archive is the world's largest library of direct mail information. Sponsored by the North American Publishing Company, the archive has been collecting information for 20 years in the form of 4000 to 5000 pieces of direct mail received monthly. Analyzed and stored as an online database, the archive is based on information from more than 240,000 direct mail packages.

An analysis of 40 months of data from the archive (January 2009 to October 2011) shows the growth of VDP for direct marketing pieces:

- In 2009, 28% of direct mail pieces were personalized.
- In 2010, the number of personalized mail pieces increased to 34% (a 21% increase).
- In the first ten months of 2011, the use of personalized mail pieces increased 21% over 2010, which was a 46% increase over 2009.

The increased use of VDP for marketing is due to improving cost-benefit ratios (though a personalized direct mail piece costs more than a static piece, companies print only the number they need) and better response rates.

MindFire, Inc., a company that provides VDP software, has studied 1856 cross-media marketing campaigns in 30 vertical industries. MindFire reports that in 2010, the response rate across all industries averaged 4.5%. Compare this with an average response rate from static direct mail of between 0.5% and 2%.

Use VDP For Your Customers First

Because you know more about your customers than your prospects, and because it is easier to sell to existing customers than prospects, it makes sense to use VDP with customers first.

We recommend that you start with a relatively simple project, one that takes advantage of the information you already have collected about

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your customers. That could include a reminder about the last item they purchased or the last donation they made, coupled with an offer specifically related to that transaction. We'll help you design the mail piece and check

your database to be sure it has all the needed information for customization. Contact us at 513-248-2121 for more information and assistance in putting VDP to work for your company or organization.

"We'll help you design the mail piece and check your database..."

The Importance of the Database

To be successful, a VDP campaign requires a rich and accurate database. This means that every customer record in the database must contain each of the elements that will be used to determine personalization; the elements must be in the correct field in each record; and all names and words must be correctly spelled and capitalized.

If your customer information is stored in several different files or databases, we can combine them for you and determine the minimum data set – the specific data elements that are common to all records, regardless of the source file. We can also identify data elements that may need your review and correct inconsistencies.

We can suggest images (such as stock photography) to assemble in a supplemental file that will vary depending on characteristics of the customer (age and gender, for example), as well as suggesting placement of personal data (like the customer's name) in an unusual location on the mail piece.

Because there are many considerations to preparing the static document layout as well as the databases so the finished customized print will be perfect, it is important that you allow us to prepare all elements for VDP. This is one case where a PDF file you prepare may not produce a quality result.



"To be successful, a VDP campaign requires a rich and accurate database."

Q.

How do I tell if my company is a good candidate for a VDP direct mail program?

A.

If you are open to using new technology to build sales, and keep a database of information on your customers, you are a good candidate

Improvements in VDP software, coupled with our investment in digital technology, bring the benefits of VDP to businesses and organizations of any size.

If your customer database contains minimal information (just name and address, for example), we can still construct an eye-catching VDP campaign by putting the name and address elements in unexpected places on the mail piece or creating some interesting special effects for the name (font change, color change, angle).

Let us brainstorm with you about techniques that will delight your customers.

"We can construct an eye-catching VDP campaign..."



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Other Uses of VDP Techniques

Besides marketing applications, VDP is useful for other customer service projects. Here are a few examples:

- **Service reminder.** Any business that provides a periodic service to customers (window washing, vehicle maintenance, pet vaccination, tree trimming) can use VDP effectively for service reminders. Just keep a database consisting of the customer's name, contact information and data elements about the service (date of last service, vehicle type, pet name). Print a newsletter that combines useful information with a service reminder and mail monthly.
- **Custom catalog.** Preschools, church schools, and after-school programs that vary offerings based on the age and interest of attendees can create a custom catalog for each

attendee. Rather than printing and distributing a large catalog of all possible pages for prospective students/attendees, print a custom catalog based on information requested. This technique can also work for product catalogs.

- **Prefilled form.** Providing subscribers, registrants or donors with forms that are prefilled with name, address and other relevant data is great customer service. Print all the relevant information you have on hand along with the form, and ask recipients to correct or add missing information.

- **Receipt for donation.** When sending a thank you for a donation, also provide all the information that the donor needs to claim a tax deduction for the donation.



*"Print a newsletter
that combines useful
information with a
service reminder..."*