



MEDIASCOPE

Right on Target!

Variable Data Printing and PURLs

An examination of the effectiveness of Variable Data Printing
and personalized URLs in modern marketing.

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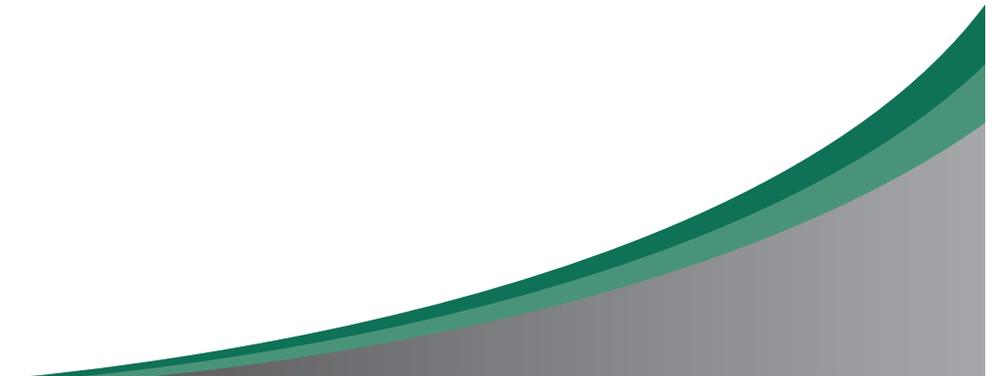


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Introduction

In today's busy world, unsolicited marketing efforts are no longer welcomed. Telemarketers are frowned upon, door-to-door salesman are pretty much a thing of the past, and spam filters now catch the majority of unwanted emails. Meanwhile, the Internet has exploded and is now a part of daily life for a majority of people. With that in mind, it is no wonder that marketers are seeking ways to join forces between the older, more traditional ways of marketing and the newer technology-based forms.

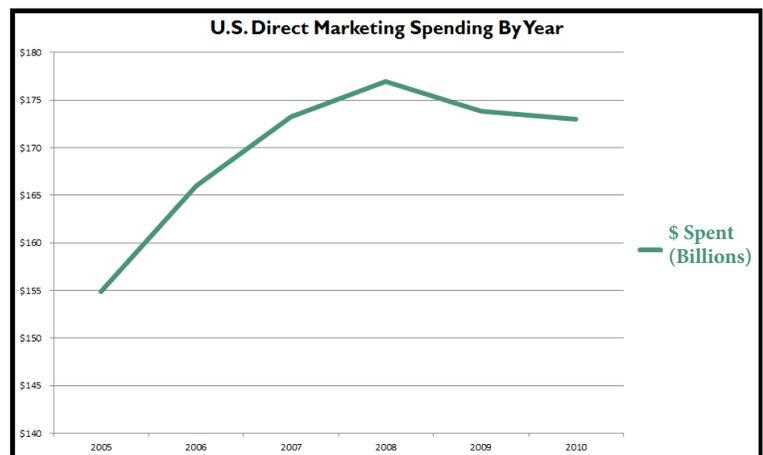
Until recently, there have been very few ways to efficiently tie together direct mail marketing and the Internet. However, new technology which uses a combination of Variable Data Printing and PURLs is a powerful way to create marketing programs which are engaging to customers and prospects while providing valuable information to marketers.

Traditional Direct Mail

Traditional direct mail relies on a "shotgun" approach, mailing the same message to hundreds or thousands of different customers usually selected by a generic demographic such as location or income level. This indiscriminating approach means that the vast majority of recipients may not be interested in the message delivered. Industry average response rates are between 2-4% for traditional mailers, meaning (in retail) the purchases of 2-4% of all recipients must cover the cost of the entire mailing in order to break even.

In recent years, advertisers' answer to these response rates has been to increase the number of mailings sent, which means more mail is delivered into people's hands every day. In 2010, the average consumer received 12.8 pieces of direct mail every week.¹ Currently, direct mail accounts for 52% of all mailings in the United States.

With more than 88.9 billion direct mail pieces sent in the United States in 2010,² it's no surprise that marketers are looking for new ways to grab and hold consumers' attention. Variable Data Printing is proving to be one such way.



Net increase of nearly \$20 billion since 2005

¹ Direct Marketing Association. (2010). 2010 Response Rate Trend Report.

² United States Postal Service. (2011). Postal Facts 2011. Retrieved from URL <http://www.usps.com/communications/newsroom/postalfacts.htm>

What is Variable Data Printing?

Variable Data Printing (VDP) is a form of printing which creates uniquely printed pieces in rapid succession. What differentiates one piece from the next may be as little as a name change or as great as an image personalized specifically for the reader. Digital printing devices create pieces with variable data by using software to interchange the text or images based on information received from a database. Other forms of printing, such as sheet-fed offset or web, are more static because images and text come from a plate on the press. While changes can be made, the press must be shut down and plates changed. Not only is it impractical from a time perspective, it is not cost-effective due to the extra paper and plates required for each change. However, when digital printing equipment is combined with software that draws information from computer databases, it is possible to automatically create hundreds or thousands of individually-personalized print pieces based solely on information contained in the databases.

Until recently, Variable Data Printing was too complex to be accurately produced by standard equipment, and was therefore very expensive. Recent technological advancements, however, have made Variable Data Printing an economical choice for companies and print runs of all sizes.

There are three general levels of variable data customization, and all three levels start with at least a basic layout template that is common to all of the pieces. This template defines which elements are static and which are variable. The static elements will remain unchanged across all pieces. The variable elements are changed for each individual piece, however, as determined by information contained in the accompanying databases.

Basic Customization

The lowest level of Variable Data Printing is called Basic Customization. At this level, only the name and salutation of the recipients are variable, and no graphical elements of the printed piece are changed between pieces. The “Mail Merge” feature of Microsoft Word which allows users to connect their document to an Excel spreadsheet of names and addresses is one example of basic customization. While the names and addresses change from piece to piece, the layout and content of the message remains the same across all printings.

This most basic form of VDP has been readily available to most companies for several years and produces the lowest response rates of the three levels because of the low amount of customization.



A Basic Customization level mailer

Versioning

The second level of Variable Data Printing is called Versioning, and consists of several pre-designed layouts that are selected based on variable criteria. In a national mailing, a unique layout could be designed for each state and the correct layout is automatically selected for each recipient, assuming that the database contains state of residence information for each entry. Versioning usually produces higher response rates than Basic Customization, but lower than Full Customization.



Different versions of the same mailer

Full Customization

Individual components throughout the entire piece are customized by multiple different criteria, often times contained within multiple databases. Images, text, and layout structure can be customized for each recipient in the entire mailing list, maximizing relevancy for the readers, and consequently returning the highest response rates. At this most advanced level, marketers can experience the full potential of Variable Data Printing.



In Full Customization, nearly every element is variable

Variable Data as a Solution

The personalization afforded by VDP allows marketers to create unique, eye-catching and engaging messages when sending direct mail pieces. Customers love seeing their own name built into a printed piece. It is an excellent way to catch one's eye, and having customized content maximizes each piece's ability to hold that attention once it has been gained.

The effectiveness of VDP is clear: It consistently produces significantly increased response rates. Many variable data campaigns produce twice or even ten times the response rates of their traditional direct mail counterparts. In 2011, Mediascope, Inc. ran a series of variable data mailings connected to PURLs containing personalized video content, and achieved response rates more than ten times the industry average of traditional direct mail pieces. The cumulative average response rates across the three campaigns included rates of 20% among first-time contact with prospects and even higher rates among previous clients. While those campaign results are exceptional, companies reporting response rates of that level from Variable Data Printing and

PURL campaigns is not an uncommon occurrence. In addition to these high response rates, variable data has been shown to significantly increase consumer message retention.³ This may be due to the average consumer's infrequent receipt of truly personalized direct mail.

Another advantage to Variable Data Printing is a lack of scale costs. Because the equipment used to create VDP does not require changes while on press for alterations in design, there is no time spent in costly changeovers. Print jobs can be run immediately, resulting in faster turnaround times, as well as a lower price per unit for small to medium runs. In addition, what used to be done across several pieces of equipment can now be accomplished all in-line on one digital press.

In 2009, a group of executives from companies across various industries participated in a survey about their variable data campaigns. Of those executives, 40% reported that their personalized campaigns had produced better response rates than their other programs. This number is compared to 12% who did not notice a difference, and 41% who reported that they were still refining their process, while 7% responded that they had not tracked it or were unsure.⁴



A 3-page PURL Microsite

What are PURLs?

PURL technology is one of the latest tools used to combine Web-based marketing with Variable Data Printing. PURLs are often used along with direct mail to boost response rates and provide better tracking capabilities.

While PURL stands for “Personalized Universal Resource Locator,” most people recognize it as Personal URL. Essentially, PURLs are personalized websites or mini websites that are designed for a specific person and created with personal information such as their name. When a person accesses their PURL, they are taken to a landing page or microsite which provides further information, conducts a survey, or provides an avenue for ordering on-line. Future communications with this person can be personalized to a greater degree based on information supplied by the customer.

3 John C. Otto. (2006). Digital Printing & Variable Data Printing [White paper]. Retrieved from http://www.jco.com/downloads/JCO_Dig_VDP.pdf

4 Marnie, B. (2009). The Response Rates of Personalized Cross-Media Marketing Campaigns [White paper]. Retrieved from <http://www.mindfireinc.com/resources/best-practices/the-response-rates-of-personalized-cross-media-marketing-campaigns-2/>

Because of the high volume of pieces delivered in most PURL-customized mailings, they are commonly created with specialty software and are designed to work with the mailing. With PURL technology, marketers can track a customer's activity in real time and use the information gained to tailor future communications in an engaging manner.

Benefits of PURLS

- Improves conversion rates
- Increases brand awareness
- Increases response rates to direct mail campaigns
- Gathers additional information to use for further marketing efforts
- Provides insight on customer's on-line habits
- Automatically initiates follow-ups such as thank yous
- Provides relevant and timely information
- Tracks which campaigns spark interest from customers

PURLs as a Solution

PURLS are incorporated with Variable Data Printing in order to track results. The personalized URLs are printed on each piece, and when used correctly, offer a seamless transition from print to other interactive media such as video, games, and websites to further enhance the user experience. Essentially, PURLs make print pieces "clickable," which also makes them trackable.

Research has shown that recipients are nearly twice as likely to visit a PURL site which contains their name than a generic web address. As a result, PURL campaigns achieve significantly higher response rates and return on investment than conventional direct marketing campaigns.

PURLs also offer exceptional reporting capabilities. Marketers can track individual responses that provides insight into which customers are interested in the product/service and helps to qualify leads. One of the most significant advantages these analytics offer is immediacy. Most systems track use and update results in near real time, meaning marketers no longer have to wait weeks to determine the success of a campaign. This also allows for mid-campaign adjustments to increase effectiveness, further increasing the likelihood of success.

In addition to improving campaign tracking methods, PURLs also directly improve response rates. According to a 2006 study conducted by the Direct Marketing Association, 42% of all consumers prefer to respond to direct mail via the Internet because many consumers find going online to be easier than filling out a printed response and mailing it back.

Another advantage of PURLs is that the call to action (to visit the URL) is one of the most engaging elements of the piece because the URL contains the recipient's name, which is always exciting to see in print.

According to a white paper produced by OnDialog, "PURLS – Not Just a Fashion Accessory," Centex Homes recently began using PURLs as a marketing tool. Centex was marketing to 11 different segments but did not have a good way to track how each segment was responding to the various marketing efforts. After seeing the industry shift to Web-based solutions, Centex decided to integrate email marketing, landing pages and PURL technology into its marketing mix. After beginning a PURL campaign, Centex saw its response rates jump three to five times higher. They were also able to significantly lower their advertising budget.

Conclusion

In summary, the cumulative result of implementing Variable Data Printing and PURLs within your marketing plan results in more engaging promotions, better analytics and tracking, plus a higher return on investment.