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*An In-Depth Look at Trends in Marketing, Production
& Distribution of Variable Data Printing*

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December 2005

This paper was made possible through a research grant provided by The Electronic Document Systems Foundation (EDSF) to California Polytechnic State University.

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Executive Summary

Variable Data Printing (VDP) will continue to be a growth area combined together with trends in cross-media personalized marketing.

Living in a free-enterprise system means we live in a society that is inundated by marketing. As consumers, we are marketed to in virtually every aspect of our lives. Consequently, marketers have become more innovative in how messages are sent to consumers. Sending a relevant message to someone that is different from the message sent to someone else has allowed marketers to break through much of the clutter associated with less targeted marketing. Personalized marketing, including variable data printing, has become an effective strategy for marketers.

Marketers view VDP as a very important component to a personalized marketing campaign. The objective in marketing is getting the right message to the right customer. VDP, combined with cross-media strategies such as personalized email and personalized URL's, is growing in popularity. Personalized print alone has proven not to be as effective as an integrated campaign including print and electronic media. Therefore, the trends towards cross media campaigns will continue.

Marketers see the importance of partnering with other companies such as producers of VDP, data acquisition and management specialists. It is important to offer full service personalization to a client. It is also important to note that printers involved with producing VDP are migrating towards offering marketing services to their clients as well. The lines are becoming blurred between who offers what services in a personalized marketing campaign. The challenge then becomes to offer client services while not competing with strategic partners in a campaign.

Marketers have found that personalized marketing is not designed for everyone. A personalized campaign requires more time and resources than a less targeted campaign. Therefore, marketers are tending to create personalized cross-media marketing campaigns for companies with larger marketing budgets. It then becomes important to demonstrate to these companies that ROI can be achieved from a personalized campaign.

ROI needs to be demonstrated by showing a low cost per lead or show the response rate related to the cost of the entire campaign. Response rates, and ultimately dollars generated for a company, should be shown to more than compensate for the additional cost of a personalized campaign.

Marketers view that personalized marketing will continue to grow and that personalization allows for creative marketing to help break through the clutter of information that consumers are getting. Electronic media integration such as personalized URL's or web landing pages allow for more data gathering. This makes it conducive to developing more targeted campaigns to consumers that have opted in to the process.

Producers of VDP include direct mail printers, digital printers, in-house printers and commercial printers. VDP represents a relatively low volume of overall sales and the average sales cycle is much longer than static digital printing. In a relative comparison, VDP yields a higher profit margin and has potential growth opportunities. VDP is still in its infancy stages of development as an effective marketing tool. Companies investing in technology required to produce VDP feel confident that this is still a growth area with high margin potential.

VDP producers are finding challenges in the area of educating their customers and data acquisition and management. Other challenges include creating well-designed variable data pieces and finding skilled employees. VDP is primarily being marketed and sold on a cost per project basis.

Objective

The objective of this study was to acquire knowledge and information from marketing and printing segments experienced with VDP. The information was assessed and analyzed. The results provide a better understanding of the advantages, disadvantages, and logistical issues related to creating and producing VDP. From this information VDP trends within these segments are predicted.

Approach

A combination of qualitative and quantitative research was used for this study. Using both methods gave a clearer and more in-depth analysis of the information. Seven marketing firms were contacted that have participated in the creation of personalized marketing campaigns. Qualitative research was used to acquire in-depth information using an interview process. The information gathered was analyzed and summarized. A quantitative method was used to gather information from the printing segment. Forty-one printers responded to a survey gathered in person, by mail and on-line. The responses were then analyzed and conclusions were drawn from the results. All information was summarized.

Quantitative Findings and Analysis

Summary of Data Collection and Respondent Profile

A survey was sent to printers involved with variable data printing (Appendix A). A personalized printed survey was mailed to 119 printers. Thirteen people returned the surveys yielding an 11 percent response rate. The survey was personalized with the contact's first name and company name. The introductory letter was also personalized with their first name and company name. Additionally, an on-line survey was created. The survey was advertised using the Digital Printing Council's listserv and the Cal Poly Graphic Communication Institute's monthly newsletter. Seventeen people submitted the on-line survey. There was no way to determine the response rate because it is not known how many people received the listserv email or how many people read the monthly newsletter. Finally, surveys were gathered in person at the 2005 PIA/GATF Variable Data and Personalization Conference held in Phoenix, Arizona. A total of eleven surveys were gathered from that event. Each form of solicitation was advertised to a national audience, so the conclusions and findings can be applied to variable data printers throughout the United States.

Data was gathered from a total of forty-one surveys. Forty-six percent of respondents identified their primary business as being commercial printing (Figure 1). Eighteen percent were identified as "Direct Mail" while 16 percent were "On-demand printing", 12 percent represented "Other", 6 percent were "In-plant", and 2 percent were identified as "Financial and Legal" printing. Companies represented in the "Other" category identified themselves as educational, direct marketers, digital printers, variable data printers or a combination of multiple categories.

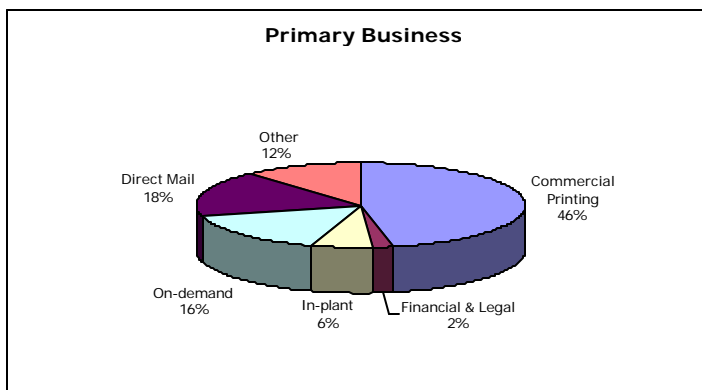


Figure 1

When asked how long companies have been producing VDP, the results were as follows: Forty-two percent (Figure 2) of respondents have been producing VDP for 1-5 years, while 24 percent have been involved for less than one year. Thus, a total of 66 percent of the respondents have only been producing variable data printing in the last five years. Twenty-two percent have been producing VDP for 6-10 years, while 2 percent have been involved for 11-15 years. Finally, 10 percent indicated they have been producing VDP for more than 15 years. It is interesting to note that of those responding to more than 15 years, 75 percent of those were identified as being in direct mail/marketing. Clearly, VDP has been around for many years in the form of direct mail or letter shops but the recent growth, indicated by 66 percent of printers entering the VDP market in the last five years, is due primarily to the level of sophistication now available because of digital software, hardware, and printing capabilities.

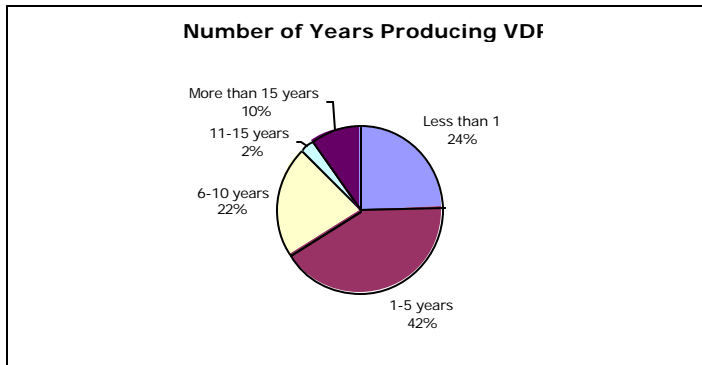


Figure 2

Investment versus Profitability

When asked how much companies were spending and how they viewed their profitability in VDP, the results were as follows: Thirty-seven percent (Figure 3) of companies reported initially spending \$501,000 to \$1,000,000 while 20 percent reported spending \$251,000 to \$500,000. Seventeen percent reported spending less than \$125,000 and 15 percent reported spending over \$1,000,000. These figures represent a significant investment for printers producing VDP.

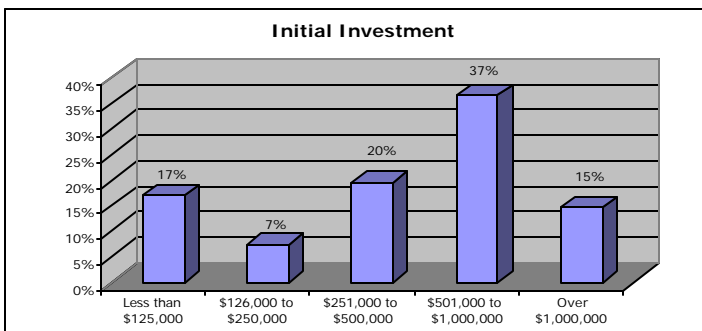


Figure 3

When asked how much of the company profits came from VDP, 66 percent responded (Figure 4) with “50 percent or less” while 12 percent responded for both “not at all” and “more than 50 percent.” Ten percent reported “Other” so they could include a more descriptive comment regarding this question. Those commenting believed that VDP will grow and continue to become a very profitable area. Although it would appear initially that printers have invested a lot for the amount of profit generated by VDP, it should be noted that this study has focused primarily on VDP and does not include static digital printing and short-run color. Major equipment investments for producing VDP can also be used for producing static digital printing and short-run color. Previous research has indicated that VDP is a relatively small percentage of the overall digital printing produced by most printers. Since 46 percent of business surveyed were commercial printers, it can be assumed that much of their profit is coming from traditional printing services. Therefore, the percentage of profit compared to the percentage of sales for VDP is impressive. It is also significant that 12 percent of companies reported a profit of “more than 50 percent”. Considering that, the percentage of profitability or potential profitability of VDP is quite high.

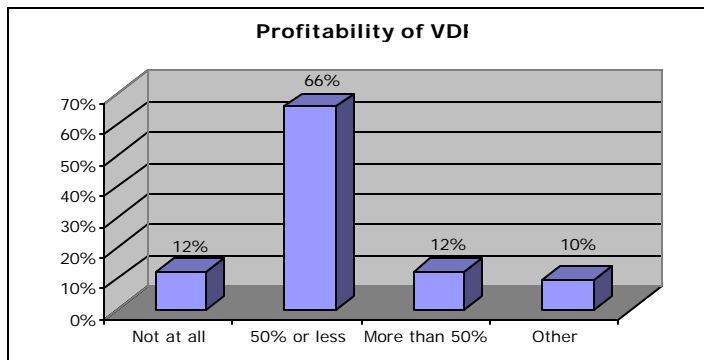


Figure 4

To further illustrate the impact of VDP sales, Figure 5 shows the percentage of overall sales represented by VDP. Eighty-eight percent of respondents reported having 29 percent or less of their sales in VDP while 5 percent responded with either “100 percent to 80 percent” or “59 percent to 30 percent”. Even though VDP represents a fairly small percentage of overall sales, the overall profitability for VDP seems to be quite high as indicated in Figure 4.

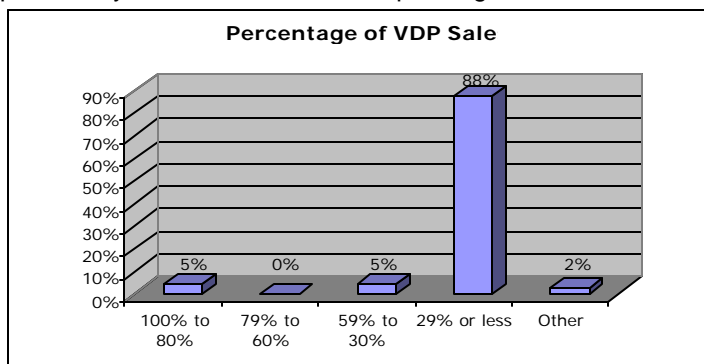


Figure 5

Variable Data Printing is also showing growth with 54 percent reporting (Figure 6) a growth of 29 percent or less, 29 percent reporting a growth of 59 to 30 percent, 7 percent reporting a growth of 100 to 80 percent, 5 percent reporting a growth of 79 to 60 percent and 2 percent reporting a growth of more than 100 percent. Forty three percent of respondents have indicated a growth of 30 percent or more indicating that this is an area of growth.

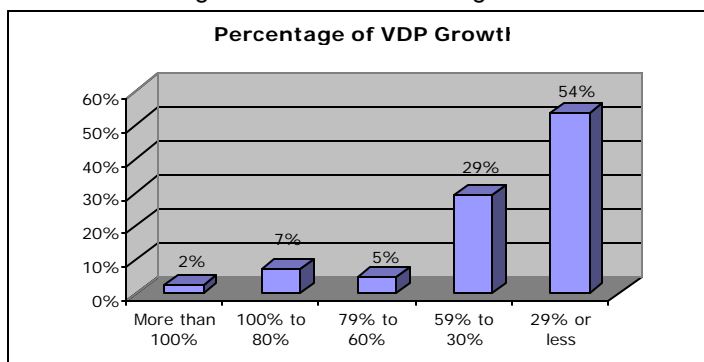


Figure 6

Customer Segments and Sales

Industries represented as a customer base for VDP sales are illustrated in Figure 7 with their respective percentage. Industry segments also included in “Other” are casinos/gambling, real estate, technology, travel, energy, non-profit, manufacturing, design/communication firms, service industry, political, franchises, telecommunication, entertainment and health care. The customer segments for sales of VDP are quite varied and diverse. This provides a great deal of opportunity for printer’s looking to market variable data printing to clients.

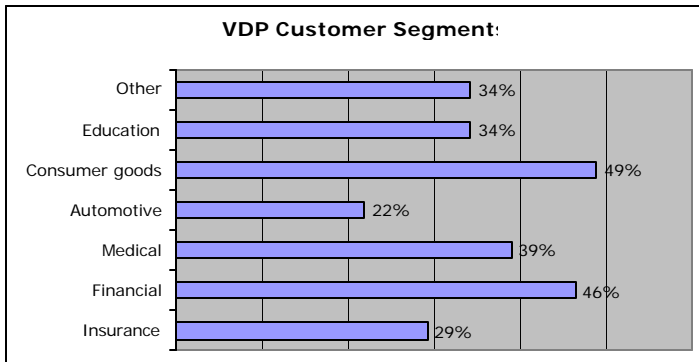


Figure 7

Table 1 represents responses when asked how printers market VDP to their clients. Respondents were asked to select all that applied for their marketing strategies. Most responded with using more than one of the above options but 34 percent only selected one marketing option. It can be assumed that some respondents did not read the question clearly enough to respond to multiple choices. It should also be noted that some printers can be doing a better job of marketing VDP to their clients.

Printers are marketing to their customers in the following ways:

Through a sales force experienced in selling commercial printing	44 percent
Through a sales force experienced in selling VDP	37 percent
Through direct mail pieces that demonstrate VDP	39 percent
Through special seminars & meetings for prospective VDP customers	44 percent
Other	5 percent

Table 1

Figure 8 represents the average sales cycle for VDP. The greatest number of respondents selected “3 to 6 months” and “1 to 3 months” with 27 percent and 29 percent respectively. When combining these two figures plus the 10 percent reporting “More than 6 months”, it should be noted that 66 percent of respondents reported an average sales cycle of at least one month. Variable data printing is more complicated to design and produce and therefore should not compare to digital short-run color printing regarding the average sales cycle. Digital short-run color printing can have, and is generally expected to have, a very quick turnaround time. It is very clear that selling and producing VDP is much more time-consuming than static digital printing even though the average pieces per order is still relatively small (Figure 9)

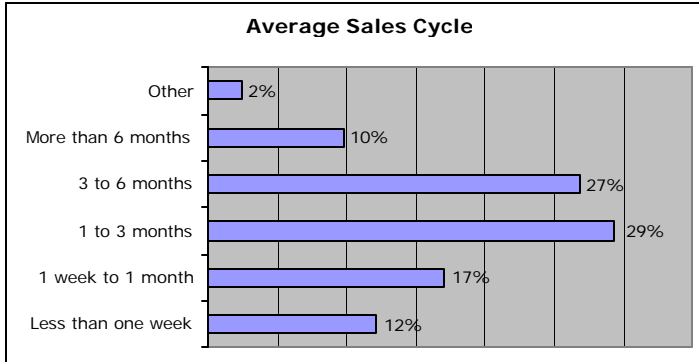


Figure 8

Thirty seven percent of respondents reported “500 to 2000” average pieces per order while 22 percent responded to “2000 to 5000” average pieces per order. Only 30 percent reported more than 5000 with 15 percent reporting “5000 to 10000” and 15 percent reporting “Over 10000”. A total of 69 percent of respondents reported the average pieces per order as being less than 5000. With the average sales cycle longer and the average pieces per order relatively low, it may present more challenges for printers to analyze and determine return on investment (ROI) specific to VDP.

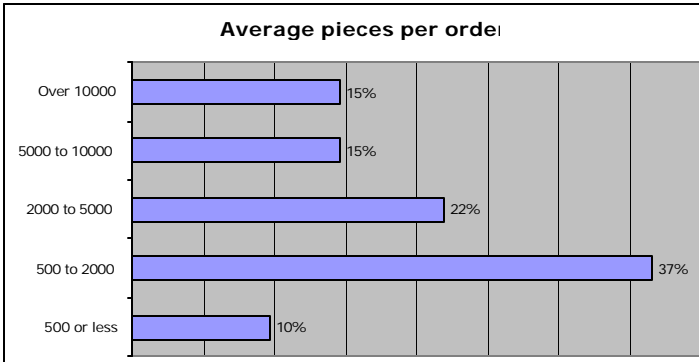


Figure 9

Figure 10 represents respondent's views on the biggest challenges in VDP. Seventy six percent responded that educating customers was their biggest challenge. The next biggest challenge was obtaining data with 49 percent responding. Many commented on this response that it was not just obtaining the data that was a problem from clients and legacy systems, but also getting clean data that was relevant to the campaign. Other challenges selected were as follows: Database management – 34 percent, creating well-designed VDP – 32 percent, finding skilled employees – 24 percent, limitations of digital presses – 17 percent, and finishing operations – 10 percent. Clearly, obtaining and managing data has been a real challenge for printers producing VDP.

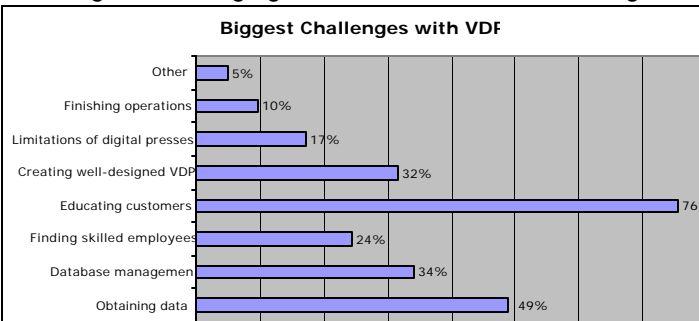


Figure 10

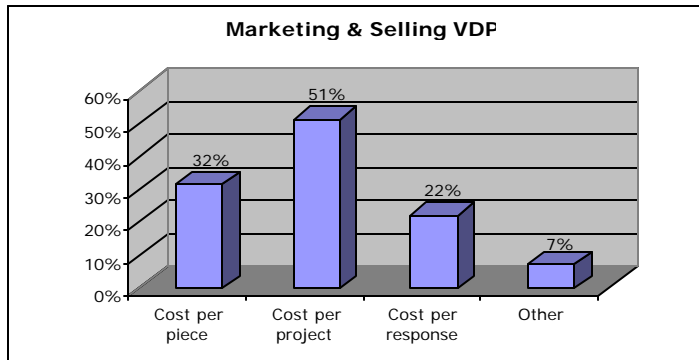


Figure 11

Figure 11 represents how printer's responded when asked how they market and sell VDP. Fifty one percent responded with "Cost per project" while 32 percent responded with "Cost per piece," and 22 percent responded with "Cost per response." Seven percent responded with "Other" adding comments like "Cost per desired transaction (i.e. sale, information, registration, enrollment, etc.)".

Major Implications of the Quantitative Findings

Although the majority of respondent's identified themselves as commercial printers, there was a wide range of respondent profiles. This indicates the trend in the industry to diversify a primary business with its offerings. The lines are becoming blurred between who produces VDP and what role they take in the production process. Commercial printers are moving into areas such as digital printing, variable data printing, database and web-site management and mail and distribution. Direct mail companies are moving into traditional printing as well as more digital printing including VDP and database management. Also, we are seeing an emergence of companies that produce just digital printing and variable data printing.

VDP and digital printing is still a relatively new business venture with the majority of companies (66 percent) reporting being involved with VDP only five years or less. VDP is still in its infancy stages of development. This provides significant opportunity for growth and profitability as more clients learn of the possibilities and advantages of VDP. Overwhelmingly, the majority of companies (76 percent) realize that educating their clients about VDP is their biggest challenge.

Companies are investing large dollar amounts with over 50 percent reporting spending more than \$500,000 on initial investments to produce VDP. Conversely, the majority reported only a small percentage of sales (29 percent or less) were represented by VDP. Initially, this does not represent a good investment although ROI for this study cannot be determined without actual sales figures. But it is important to note that this study focused solely on VDP and not static digital printing. Previous research has shown that most companies owning digital presses use their presses at a much higher rate for producing static or short-run color printing.

Interestingly, companies are seeing steady growth and optimistic profitability in variable data printing. Some companies (17 percent) are experiencing large amounts of growth (over 60 percent) while others (29 percent) are experiencing high growth of 59 to 30 percent. Many (54 percent) are experiencing growth rates less than 29 percent. Given the relatively short amount of time most companies have been involved with VDP (66 percent in the last five years) and the small percentage of overall company sales, these results are not surprising. In fact the percentage of growth compared to VDP sales is quite impressive and indicates an even greater opportunity for future growth and profit. As seen in figure 4, the majority of companies (66 percent) view VDP as being profitable while

only 12 percent responded as being not at all profitable. Some (12 percent) companies even reported a high profitability of more than 50 percent. Again, given the small percentage of VDP sales to overall sales these figures are optimistic for current and future profitability related to VDP.

As personalized marketing becomes more predominant, there are a wide variety of industry segments that can benefit from VDP. Industry segments currently using VDP include insurance, financial, automotive, medical, consumer goods, education, casinos/gambling, real estate, technology, travel, energy, non-profit, manufacturing, design/communication firms, service industry, political, franchises, telecommunication, entertainment and health care. As each of these industries try to compete for creative marketing options, VDP will continue to grow.

Marketing and selling VDP has required a different business strategy for companies. The average sales cycle is longer for VDP than static digital printing while the average pieces per order is still relatively low. Marketing to a client on the benefits and ROI for VDP can be challenging. Most companies (51 percent) are marketing VDP on a cost per project basis. Since a personalized marketing campaign, including VDP has proven to be very effective, it is important to communicate the benefits in terms of desired action or raw sales to clients.

Companies are struggling with many challenges in VDP with most (76 percent) reporting educating customers as their biggest challenge. Most experts agree that having and using effective data in a personalized marketing campaign can determine the success or failure of the campaign. Printers are finding that obtaining (49 percent) and managing (34 percent) the data is a significant challenge for them. Thirty-two percent of printers are finding it challenging to create well-designed variable data pieces and 24 percent are struggling with finding skilled employees. All of these challenges point to the necessity for printers to develop partnerships with other companies to produce the entire personalized marketing campaign. These partnerships can include advertising agencies, marketing specialists and data management specialists. It is important for printers to know when to not try and be everything to everybody.

From a printer's perspective, variable data printing has not shown significant growth although growth is slow and steady. As seen in figure 6, 43 percent of printers reported growth of 30 percent or more. Printers have invested significant dollar values in technology to produce VDP, yet a small percentage of their overall sales has involved VDP. Most printers view VDP as profitable but are struggling with the challenges of educating their customers on the capabilities and managing the data.

For companies to be successful and profitable in producing VDP, they must gain experience in many areas including marketing and database management. Printers must sell themselves as solution providers to their clients. They should consider offering an entire range of marketing services including cross-media marketing. If they are not selling cross-media marketing options, they must partner with companies experienced in offering an entire personalized marketing campaign including print and electronic media.

Qualitative Findings and Analysis

Who is Involved with a Personalized Marketing Campaign

For this component of the research, marketing firms or advertising agencies were contacted. For purposes of the qualitative analysis or summary, a client, company or customer is referring to the marketing firm's client or the company actually marketing a product or service. A consumer is the person actually receiving the marketing information about a particular product or service. A printer or letter shop is the vendor actually producing the printed marketing material.

Every personalized marketing campaign has a client or a customer. Depending on the size of the customer, there may be marketing people involved in-house as well as Information Technology (IT) specialists that will work directly with the marketing firm or advertising agency.

Marketing firms or advertising agencies will generally have a sales or account person working directly with the client. This person will also serve as a liaison to the print provider. Marketing firms will also have a person involved with the creative component of the campaign. This can include designing of print media, web pages and even email composition. Larger marketing firms may also employ database specialists and software developers.

All respondents emphasized the importance of partnering with other companies such as digital printers or large diversified printing companies. It is important for marketers to be able to offer a full range of services to their clients. The trend is towards integration of technologies and services and that means partnering with companies that compliment a marketing firm's offerings.

Summary of Data Collection and Respondent Profile

The qualitative component of this research involved contacting people employed in the marketing field with specific experience in developing personalized marketing campaigns. Each individual was asked a series of questions (Appendix B) by phone with each interview lasting approximately 30 minutes. The participant was informed that any information gathered would remain anonymous.

The questions were intentionally designed to remain broad so the researcher would be gathering information that was not directed or influenced in any way. Qualitative research allows for more specific data gathering and analysis, and even though questions remain broad, the information gathered can generally represent a more in-depth analysis of the research topic.

It is also important to note that research including data gathered from both the printer's perspective and the marketer's perspective was more inclusive and the analysis more representative of personalized marketing as a whole.

Opportunities for Personalized or Target Marketing

Respondents overwhelmingly viewed the opportunities in personalized marketing as being astronomical. The trend in marketing is towards sending a message to an individual rather than mass marketing. Personalized marketing is more targeted and therefore more effective. It is all about sending the right message to the right person. The more interactive, relevant and personal a campaign is, the more likely it is to get a response from the consumer.

Specific Implementation of Target Marketing

Effective target marketing is being used in a variety of ways. The trend has become the use of cross-media marketing and permission-based marketing. An effective campaign starts with identifying the audience. Then it must be determined how to get the desire message to targeted audience. This is accomplished by using variable data printing, personalized email, personalized URL's or micromarketing. Micromarketing is not necessarily personalized marketing. It may be just identifying

a specific audience in a given geographic location and marketing to them either through personalization or other regional methods such as direct mail, inserts or regional magazines.

Respondents found that partnering with other businesses was vital to an effective campaign. Partnering allows a marketing firm to provide a larger offering to its clients. If a digital printer is involved and a data service provider is involved, each partner can specialize in their company's strengths to enhance the entire campaign. It should also be noted that there is growth in the number of full-service companies emerging.

Timing was also critical to an effective campaign. For example, a non-profit organization seeking contributions would time a campaign around the holiday season when the spirit of giving is on the forefront of people's minds. A business-to-business campaign where a financial institute is targeting local small businesses as potential customers may be more appropriately done after the holiday season.

Various Medias used in an Effective Personalized Marketing Campaign

The trend in this area is overwhelmingly towards cross-media marketing. This includes variable data printing, combined with email messaging and personalized URL's or landing pages. An email message would contain a hyperlink that would take a person to a landing page designed to seek more information. Once the person gives more information, they then become part of a permission-based campaign. Any new information they provide can then be used to generate more relevant communication to them in the form of email or variable data printing.

Most respondents were also using medias less personalized to enhance a campaign such as television, radio, newspaper, magazine, billboards, and telemarketing. Even though these medias may not be personalized, they can be localized to a specific region to enhance the personalized part of the campaign. Targeted marketing can also be regional or specific to a particular group without being personalized.

The overall effectiveness of a campaign can be directly tied to how relevant and how integrated the campaign is with various media. The most effective campaigns involve multiple uses of media for marketing. For example a personalized email is common because of the cost-effectiveness. The email would contain a few options for the consumer to click on a hyperlink that would then take them to a web landing page. The most effective personalized URL's should populate any information such as address information into the fields. Consumers are much more likely to give more information if they don't need to re-enter information already in an existing database. Just as a business reply card should always be sent to a consumer with their own address already filled in where appropriate. In today's high-paced society, the more convenient it is for a consumer to reply, the more likely they are to do so.

Limitations or Challenges in a Personalized Marketing Campaign

There are still limitations and challenges in developing an effective personalized marketing campaign. Since an effective campaign is so reliant on customer data, this can sometimes be a problem. The customer data may not be accessible or it may not contain valuable, relevant information. Renting or buying lists is an option but this can be costly.

Another challenge is the higher cost of a personalized campaign. Variable data printing is more time-consuming and expensive than static printing. Creating personalized web pages is more time-consuming and therefore more costly than static web pages. Managing and manipulating data is more costly. It is often difficult convincing the customer that a personalized campaign may cost more but will translate to more sales. It is important to demonstrate to the customer the entire return on investment and to sell the campaign as a lifetime value.

Another challenge is the societal shift towards privacy and the concern of the so-called database nation. There are already many regulations preventing things such as telemarketing and faxing to certain numbers. Many email users have active spam filters preventing certain emails from being delivered. Our society is so inundated with marketing messages; it is a challenge to break through the clutter.

With a variable data printed piece, it is important to design something that will get the consumers attention so they will open it, or look at it just in that instant before it hits the recycle bin or paper shredder. It is all about creating a message specifically designed for them. Consumers also need to be getting something in return. There must be some incentive for them to act further.

Trends for Future Development

It is important when developing a personalized marketing campaign to look at the broad picture within the marketing realm. Since personalized marketing is more costly, it is also important to only target companies that have the marketing budget and understand the benefits to be gained from a personalized campaign. Variable data printing is one component of a personalized campaign. It is a very effective component but it can also be one of the most costly.

Trends will continue in the implementation and development of cross-media campaigns. As effective campaigns direct consumers to provide more information, the data can be managed and analyzed better for developing more relevant messages. More creative print campaigns will be developed to either get or keep the attention of the consumer.

Because of the cost associated with a personalized marketing campaign, customers will be asked to collect and manage their own data. Currently, customers are not educated on how to collect and manage their own data but this responsibility may shift their way. Customers will be provided with the option of creating their own personalized printed pieces through a web-enabled interface giving them more responsibility and more control over their personalized campaign.

Financial Opportunities or Challenges

Initial development and implementation of a personalized marketing campaign can be costly. But it is important to communicate to customers that the cost is less, once the initial program is set up because of more automation inherent in the technological process. Investments in marketing using more personalized, targeted strategies will be more cost effective over a longer period of time. As consumers are identified better, the printed mailings, which are often a very costly part of the campaign, can be reduced. Personalized marketing can more specifically send an appropriate message to the appropriate audience. Previous research has shown that response rates and sales are higher when a personalized campaign strategy is used.

It is also important to keep current customers and develop new customers by offering the very best in current trends and technology. Personalized marketing requires more knowledge of data and database management. It requires a better understanding of creative print pieces and it requires an understanding of the various medias being used. Marketers can benefit greatly by understanding and offering personalized marketing to their customers.

An integrated personalized cross-media campaign requires large investments of time and money. The benefit is to be able to send a relevant message to someone through a variety of medias. Caution should be used, however, to plan a campaign that is not too invasive or too annoying to the consumer. Too much marketing on a given campaign can cause more harm than good. It is also important to balance the cost-effectiveness of various components of a campaign.

Major Implications of the Qualitative Findings

Marketers view personalized marketing as being a growing area with tremendous opportunities. With more and more consumers having access to the Internet and email the opportunities for integration of various medias will continue. Personalized URL's and web pages set up as landing pages provide a very conducive environment to gather more specific data on consumer interests.

Marketers understand that an important component to an effective personalized campaign involves using cross-media combined with sending a relevant message to the consumer. When potential consumers opt in to a marketing campaign through the use of a web page, the likelihood of converting the individual to an active consumer increases greatly. Mass marketing is much less targeted and therefore less efficient in many regards.

The time spent on a personalized campaign and consequently the costs associated with them are generally higher than a less targeted campaign. It is important to demonstrate to clients the effectiveness and their return on investment. Personalized marketing may not fit every customer so marketers are assessing who would benefit the most. It may be larger companies with larger marketing budgets or it may be only high-value products that will yield a higher profit margin.

Because our society is so inundated with marketing messages, there is a huge challenge to create marketing pieces that get the consumers attention in just a few seconds. Personalization helps to do that. Creating a relevant message is critical. But creativity cannot be underestimated to bring it all together. The challenge will continue for developing relevant, creative messages that can be sent to consumers in a variety of medias.

Background

- In 2002, The Electronic Document Systems Foundation (EDSF) awarded a grant to the Cal Poly Graphic Communication Institute (GrCI) to conduct a Study of Business to Business Communications of financial institutions. The purpose of this study was to determine how financial companies, banks, brokerages, and insurance companies communicated with business customers. The title of the study was "Multi-Channel Customer Communication". Dr. Penny Bennett was on the team of researchers for this study.
- Dr. Bennett has presented seminars on Variable Data Printing at GraphExpo in Chicago in 2003 and 2004. She has also presented a seminar on VDP at Print 05 in Chicago.
- Dr. Bennett has also been contracted with PIA/GATFPRESS and is writing a book titled "The Handbook of Digital Printing and Variable Data Printing".

Appendix A

Survey Questions for Printers producing or selling VDP

1. What is your primary business?
Commercial printing
Business Forms & Bank Stationary printing
Financial & Legal printing
Greeting Card printing and imaging
In-plant printing & imaging
On-demand (quick printing & imaging)
Direct mail
Printing Broker
Other (please specify)
2. How many years have you been producing variable data printing?
Less than 1 year
1-5 years
6-10 years
11-15 years
More than 15 years
3. How much have you invested in getting started with variable data printing?
Less than \$125,000
\$126,000 to \$250,000
\$251,000 to \$500,000
501,000 to 1,000,000
Over \$1,000,000
4. How would you rate the profitability of variable data printing?
Not at all profitable
Accounts for 50 percent or less of company profit
Accounts for more than 50 percent of company profit
5. What percentage of your overall sales is variable data printing?
100-80
79-60
59-30
29 or less
6. What percentage of your printing involves just black and white for variable data elements?
100-80
79-60
59-30
29 or less
7. What percentage of your printing involves color for variable data elements?
100-80
79-60
59-30
29 or less
8. What percentage of growth have you experienced in the last year in VDP?
More than 100
100-80
79-60
59-30
29 or less

9. In which of the following ways do you market and sell variable data printing?

- Cost per piece
- Cost per project
- Cost per response
- Other (please specify)

10. How do educate your current and potential customers with the advantages of variable data printing? (Select all that apply)

- Through a sales force experienced in selling traditional commercial printing
- Through a sales force experienced in selling variable data printing
- Through direct mail pieces that demonstrate VDP
- Through special seminars and group meetings for prospective VDP customers
- Other (please specify)

11. Who are you selling variable data printing to? (check all that apply)

- Insurance
- Financial
- Medical
- Automotive
- Consumer goods
- Education
- Other (please specify)

12. What is your average # of pieces per order size for variable data printing?

- 500 or less
- 500 to 2000
- 2000 to 5000
- 5000 to 10000
- Over 10000

13. What is your average sales cycle for a variable data printing order?

- Less than one week
- One week to one month
- One to three months
- Three to six months
- More than six months

14. What are some of the biggest challenges with VDP? (check all that apply)

- Obtaining the data
- Database management
- Finding skilled employees
- Educating customers
- Creating well-designed VDP
- Limitations of digital presses
- Finishing operations
- Other (please specify)

15. Please include any other information you'd like to add for consideration in this study.

Appendix B

Survey Questions for Marketers

What do you see as the opportunities for personalized or target marketing?

How is your company implementing marketing campaigns for target marketing?

How are various medias being used in an effective targeted marketing campaign?

Are there any limitations or challenges related to direct marketing campaigns?

What trends are you looking at for future development of targeted marketing campaigns?

What are the financial opportunities and challenges related to personalized marketing?

Who is involved in creating, producing and implementing an effective personalized marketing campaign?

About The Electronic Document Systems Foundation (EDSF)

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About California Polytechnic State University Graphic Communication Department

Founded in 1946, Cal Poly has one of the largest Graphic Communication programs in the United States. With over 33,000 square feet of laboratory space, Cal Poly continues to advance the educational offerings for students studying printing, electronic imaging, packaging, publishing, and cross-channel communications. The department houses some of the most modern laboratory facilities in graphic arts education. The department received national accreditation by the Accreditation Council of Collegiate Graphic Communications and also houses the Graphic Communication Institute at Cal Poly to conduct research, testing, product evaluations, seminars, workshops and conferences. As part of its 2005-2006 60th anniversary year, the department is in the midst of a \$2.5 million development program to ensure that it continues serving the industry through highly qualified graduates. For more information on the department, go to www.grc.calpoly.edu; for more information on the institute, visit www.grci.calpoly.edu.

About the Research Team (Team Leader and Students)

Dr. Penny K. Bennett is an Associate Professor in the Graphic Communication Department of California Polytechnic State University in San Luis Obispo, California. She teaches in the areas of electronic publishing, digital file preparation/assessment and consumer packaging. Penny has a Ph. D. in Education from the University of Idaho. Her areas of expertise are in file creation and preparation for successful output, variable data printing, workflow and output issues and packaging prepress. Penny has written publications and conducted research in various areas of graphic communication including expanded gamut printing, PDF in prepress, Variable Data Printing and web-based training.

She is also a member of and actively involved in several industry organizations including Ghent PDF Workgroup, Graphic Arts Technical Foundation (GATF), Flexographic Technical Association (FTA), International Graphic Arts Education Association (IGAEEA) and Accreditation Council for Collegiate Graphic Communication (ACCGC).

Dr. Bennett is an active researcher, consultant, and speaker. She has been a presenter at Seybold, GraphExpo, Print05, FTA Forum, FTA Digital Prepress Conference, International Prepress Association and GATF Variable Data Conference on topics such as digital printing, variable data printing, prepress for digital printing, flexographic prepress and expanded gamut printing.

Johnson Chan is a senior at California Polytechnic State University majoring in Graphic Communication. His area of concentration is Printing and Imaging Management. He has been actively involved in University Graphics System (UGS) in prepress and direct mail. He has also been active in Cal Poly's TAGA student chapter.

Myles Pflum is a senior at California Polytechnic State University majoring in Graphic Communication. His area of concentration is Printing and Imaging Management. He has worked for the Graphic Communication Institute (GrCI) and has specialized in database management.

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