

# Variable Data Printing Workshop (Double Session)

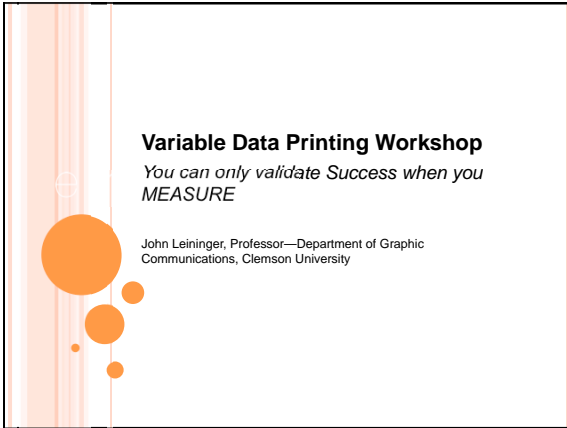
John Leininger

Session Number - 46  
*Variable Data Printing Track*

Friday, February 27, 2009  
1:00 - 4:00  
B116

Expo & Conference  
February 26 – 28, 2009  
Miami Beach, FL





**Variable Data Printing Workshop**  
*You can only validate Success when you MEASURE*

John Leininger, Professor—Department of Graphic Communications, Clemson University

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SUCCESS IN ANYTHING IS TYPICALLY MEASURED

- To measure the results, you need to plan the strategy into the design of the piece
- To measure the results, you need determine ahead of time what it is you need to measure
- Without measuring the results it is all guessing as to the effectiveness of a campaign
- Measuring the results requires a partnership with the printer and customer



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HAVE CUSTOMERS TRACKED THE ROI IN THE PAST?

- In the past, response rate has been the key measurement, then cost per response, but the best measure to track is the increased value from the sales and future sales of a customer
- The typical customer does not know what the value of a promotional piece is to their bottom line
- They also have trouble determining the value of a response
- This means the printer has to justify the increased cost of digital printing (data prep and productions) against a mythical impression of the value of past promotional printing.



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COMPARING RESULTS

Everyone compares to the Direct Marketing Association (DMA) numbers, and for 2007 the overall numbers for response rates are:

- Overall Responses= 4.9% (Outside List)  
11.8% (Internal List)
- Direct Mail = 2.15%
- Lead Generation = 1.61%

Keep in mind these are averages and change when you look at specific groups.




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COMPARING RESULTS

Direct Mail Average Response Rate = 2.15%

- o Cost per 1,000 = \$428
- o Revenue per 1,000 = \$4,157
- o Cost per order = \$19.90
- o Average order = \$256

Email Average Response Rate\* = .48%

- o Cost per 1,000 = \$19
- o Revenue per 1,000 = \$408
- o Cost per order = \$3.88
- o Average order = \$105

\* Average email open rate has been dropping over the last few years.




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CASE-STUDIES VS PLANNED STUDY

What does a case-study tell you?

- o What happens in a successful VDP project (printers/ customers are not going to tell you about their failures)
- o Whatever the printer/customer wants to share
- o Typically it is comparing it to previous promotions
- o After that there is not a lot of consistency
- o Most importantly, a case study tells you about a past project and does not address the future (in reality it has nothing to do with the current piece you are working on for a customer)




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FACTORS THAT GO INTO A STUDY?

1. Graphs and bar charts show a snapshot and do not properly describe the true significance.
2. Randomization is critical to any true study.
3. What is significance? How is it measured and what level is really practical in printing?
4. Measuring the response and choosing the right statistical tool for analysis (a bar chart has no statistical analysis applied to it—the relationships are all inferred by the viewer)
5. Reporting statistical results in a meaningful, unbiased and understandable format
6. Collecting the Data for the analysis.
7. Proving the value for your company.




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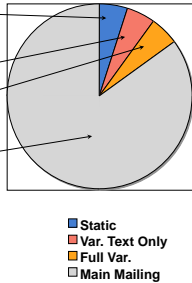
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HOW DO YOU TRACK IT?

- Send and track 5% of the job static.
- Send and track 5% of the job with only variable text.
- Send and track 5% full variable
- Send the other 85% full variable




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HOW DO YOU TRACK IT?

If the total mailing was 10,000 then 5% would be 500 pieces. If you found:

- Static returned 8 responses—a response percentage of 1.6%
- Variable text returned 22 responses—a response percentage of 4.4% (an increase of 2.8%)
- Full variable returned 24 responses—a response percentage of 4.8% (an increase of 3.2%)

Without knowing the value of a response, the increased cost of the printing and prep work, and the future value of a customer, the percentages are meaningless.




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### HOW DO YOU MAKE 5 5 5 WORK?

- It starts with the data
- Then the layout has to be programmed to accept it
- The rule statements need to be created to work with multiple choices

Here's one example...




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This is record number 7 and random number 41 so it is full variable in the 85% group

- What is in red is the variable data
- The images change with the fruit in the text




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This is record number 5 and random number 4 so it is static text and static graphics group with apple as the default

- What is in red is the variable data
- Neither the text or the images change




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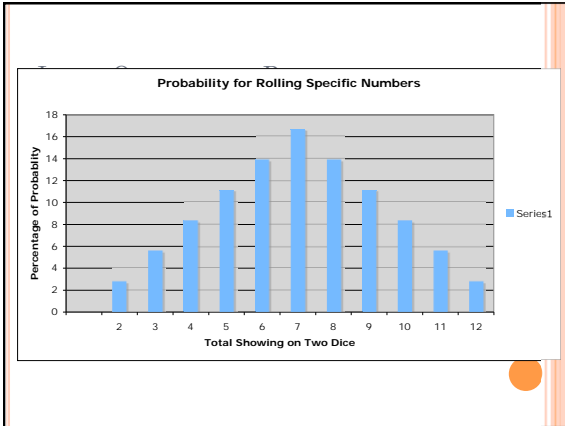
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### WHAT IF WE TWEAK THE DICE!

What if we adjust the dice to give us a better combination, we change the odds.

Zero combinations for 2's, the odds are 0 to 1 (0%)  
 Zero combinations for 3's, the odds are 0 to 1 (0%)  
 Zero combinations for 4's, the odds are 0 to 1 (0%)  
 Zero combinations for 5's, the odds are 0 to 1 (0%)  
 Zero combinations for 6's, the odds are 0 to 1 (0%)  
 Zero combinations for 7's, the odds are 0 to 1 (0%)  
 Zero combinations for 8's, the odds are 0 to 1 (0%)  
 Zero combinations for 9's, the odds are 0 to 1 (0%)  
 12 combinations for 10's, the odds are 1 to 1 (100%)  
 Zero combinations for 11's, the odds are 0 to 1 (0%)  
 Zero combination for 12's, the odds are 0 to 1 (0%)

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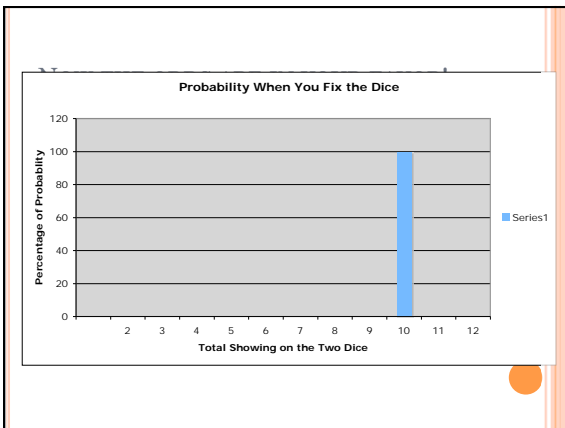
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### HOW TO TRACK THE RESULTS

- You have to partner with the customer
- You have to use the practical tools available (it is not always going to be pURLs)
- You need to look for a tool that will not impact the data collection in a positive or negative way
- The ease of the process is critical



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### A FEW EXAMPLES TO COLLECTING DATA

- pURLs (but this also adds the task of tracking the responses to the pURLs for determining the value of a second level response)
- Simple web address with counters that forward the person automatically to the standard web page
- Different PO Box response address
- Different 800 numbered call-in extensions
- Different colored response cards (or just a different color headline)
- Different percentage discount on the coupon for different groups



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### MAKE SURE THE MESSAGE IS INTACT

- Giving away a product as a draw for lead generation may or may not be good.
- Are you tracking the real value of the promotion?
- Is there a compounding effect from multiple offers?
- Is it the right time?



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ARE YOU THINKING LIKE A PARTNER?

- This is not the typical printer/customer relationship from the past, but the industry is changing.
- The evolving print market is becoming more of a consultative print sales relationship. Printers are becoming marketing companies by default.
- You need work with the printer and recognize that they now have to be thinking as a marketing company, not as just a printer.



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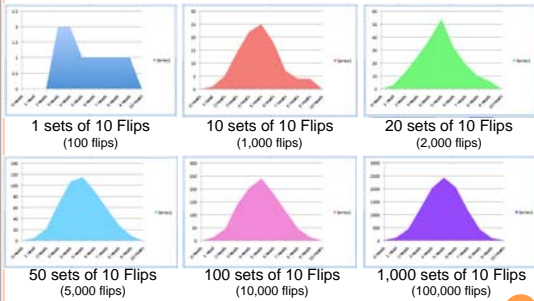
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WHEN DOES IT GET BIG ENOUGH?



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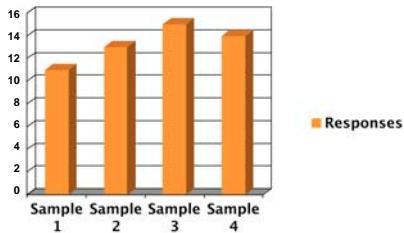
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HOW TO REPORT THE RESULTS!

Reporting statistical results in a meaningful, unbiased and understandable format



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HOW TO REPORT THE RESULTS!

6% over 1.5%  
vs  
400%

Or is that really a 300% gain?



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HOW TO REPORT THE RESULTS!

Would you rather—

A gain from 10% to 20% which  
equals a 100% increase

or

A gain from 1% to 4% which equals a  
300% increase



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A PRACTICAL APPLICATION OF STATISTICS

This is an exercise to demonstrate the value of kicking something out of the norm to achieve a desired result.

Many things in our world are governed by the law of averages. If you can stack the deck, you can expect better results.

If it is left alone, the new curve will eventually return to the standard curve (everyone can finally do the same thing you can, and once again there is nothing that makes you stand out).



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THANK YOU FOR YOUR TIME!

**For more information:**

- [http://graphics.clemson.edu/vdp\\_roi](http://graphics.clemson.edu/vdp_roi)
- There is a spreadsheet available for download and the equations can be adjusted to fit your needs, but the concept is based on measuring a static, variable text only and a full variable group.

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