

# MANAGEsmarter

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## Meet New Marketing Challenges

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Today's marketing professionals face challenges that were virtually nonexistent just a decade ago. To cite just a few:

- **Increased specialization of customer needs.** The days of mass marketing and "one size fits all" products and services are long gone. Today's consumers want products, services and information tailored to their specific interests, circumstances and needs. Marketers need to balance the cost-benefits achieved through large-scale processes with those achieved only by customized or personalized communications.

- **New communication channels.** While broadcast television and the U.S. postal service remain marketing staples, they've been augmented, if not replaced, by new modes of communication. Today's consumers may tune out national TV or radio stations in favor of more focused programming available only through satellite or cable stations. Many turn to the internet for news and entertainment, instead of newspapers and magazines, while others favor e-mail or instant messaging over so-called "snail mail."

- **Increased competition for customer dollars.** The growing global economy and deregulation have created a flood of new competitors in just about every industry. Marketers have to work harder to gain new customers and retain existing ones.

- **Shorter product life and sales cycles.** With today's new technologies and breakthrough discoveries, no sooner does a product hit the market than a new, better or enhanced version is introduced. Marketers must get current materials into prospects' hands quickly and reliably.

- **Legislation and regulatory restrictions.** Some regulations, like HIPAA, affect specific industries— such as pharmaceutical manufacturers, health insurers and their business partners. But telemarketers in every industry have to work with barriers created by the national "do not call" list, and e-mail marketers must avoid practices that could be considered "spamming," while still getting their messages to the largest possible number of prospects.

How can marketers overcome these and other obstacles to enhance response rates, increase the number of sales and/or av-

erage order size, and expand their customer base? The answer, in a nutshell, is to maximize the value of their marketing dollars through a process known as "Communication Optimization."

### The Communication Optimization Process

Communication Optimization aims to increase both the efficiency and effectiveness of collateral and other communications by aligning a company's overall marketing objectives with communication best practices, through three broad steps.

#### Step 1: Analysis.

Current communication materials are evaluated in relation to critical factors such as:

- Specific objectives and desired response for each piece or campaign
- Target markets
- Industry norms, best practices and business environment
- Value of the transaction or sale
- Customization and personalization needs
- Audience demographics
- Competitive programs and offerings
- Your company's overall business and marketing objectives
- Product lifecycles
- Inventory quantities, shelf life and value
- Usage and reorder patterns
- Design requirements or constraints
- Corporate graphic standards
- Production options and costs
- Delivery options and costs
- Privacy and other regulatory compliance requirements

From this analysis, a sound business and cost-benefit rationale is developed to help marketers create only the materials they need, in the right quantities, using the most cost-effective formats, production processes and delivery methods relative to the value of the transaction.

#### Step 2: Reengineering.

Using the analysis performed in step one, the next step is to revise, redesign, combine, eliminate and/or add materials as needed to achieve the company's marketing objectives cost effectively. The goal is to align copy, graphics and production processes to maximize response rates, while managing costs in

relation to sales value. This may include the use of prototyping, focus groups or other testing methods to ensure the best content, formats, production and delivery options for materials, in line with the company's marketing objectives, audiences, value, costs and other considerations.

This phase also includes streamlining underlying production processes and, in particular, determining an optimal print strategy combining offset and digital print to deliver timely, relevant, yet cost-effective marketing programs. While digital printing is ideal for customizing materials with variable messaging, as well as for adding personalization, offset printing is less costly for large quantities and better for pieces that require high-quality color matching. The goal of this step is to determine which processes to use for specific materials and audiences. In some cases, it makes sense to combine offset and digital printing—for example, preprinting a large quantity of color shells that later can be digitally overprinted with customized messages and graphics or personalization—such as a phone number for a specific sales rep.

Additionally, this is the time to look at distribution and storage options. In some cases, it might be feasible to forego production of a printed piece and replace it with an electronic version. In other cases, it may be advantageous to add a standing order to print a particular piece digitally when physical inventory runs out, thereby avoiding out-of-stock situations and rush reprint charges. Electronic distribution and just-in-time printing also can dramatically reduce storage and obsolescence costs.

All of these decisions are made with an eye on critical factors like shelf life, usage and reorder patterns, target markets and the value of the transaction, among others.

### **Step 3: Automation.**

The third step is to automate production, ordering and fulfillment. Virtually all fulfillment companies now offer Web-based interfaces that allow marketing, sales and distribution personnel to order and track delivery of the materials they need online. Many provide real-time reporting to enhance inventory management and decision-making. The best integrate all of these features along with design-on-demand and digital printing capabilities, backed by rules-based logic to ensure that only pre-approved copy and graphics can be inserted into customizable fields and that the selected copy and graphics are appropriate for the in-

tended use and recipients. User access should be defined by department management, to ensure that all staff, field personnel and agents have what they need to do their jobs, while maintaining control at the chief marketing officer level.

## **The Benefits of Optimization**

By making collateral more relevant and streamlining production processes, communication optimization enhances total marketing effort and delivers benefits like:

- Reduced total marketing costs. Companies have realized savings of 30 percent or more by selecting cost-effective printing options that are still appropriate for their objectives.
- Increased return on investment. Studies show that customization and personalization increase revenues through enhanced response, larger orders and repeat sales.
- Faster time to market. Automation and just-in-time production processes reduce print turnaround times, getting materials into the hands of the company's sales force, clients or prospects faster.
- Lower storage and obsolescence costs. On-demand production makes it possible to order smaller quantities, reducing physical storage needs and waste.
- More working capital. Funds formerly spent on printing, warehousing and destruction of obsolete documents can be reallocated to income-producing uses.

Optimizing your communications will help you achieve the best possible balance of cost, effectiveness and compliance—and ultimately produce the highest return on your marketing investment—through continuous improvement in the areas of need, format, design, production and delivery.

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