

# You Talkin' to Me?

Today relevancy is imperative. But it's also not enough. To break through the clutter, organizations need to market to customers using not only custom communications, but also targeted marketing that is consistent and integrated across all channels. Here's how.

BY JASON COMPTON

**I**f you want to be heard by today's media-inundated buyers, don't just dial up the volume, change channels.

Today's marketers are finding that a one-channel approach to customer engagement is rapidly losing effectiveness in a multichannel world. To keep direct communications alive and thriving, new disciplines that improve the effectiveness and coordination of customer contacts across multiple channels are emerging, building on strong customization capabilities and falling prices in the print-on-demand space to ensure that a multichannel campaign can be organized and profitable.

"Traditional models for communicating with consumers are breaking down," says Brian Deagan, CEO of marketing solution provider Knotice. "Focusing on email, Web, and mobile can increase sales opportunities, but it's important for marketers to maintain a consistent brand experience across those channels."

In the past that has been a challenge. As new technology-driven channels gain popularity among customers, there has been a tendency to assemble specialized and isolated ad hoc groups made up of marketers and technologists to work that channel as quickly as possible. Only later do managers and strategists look to merge the existing marketing message with the new channel, creating integration expense and hassle down the road. "Historically, there have been siloed communications in email and the Web," Deagan says.

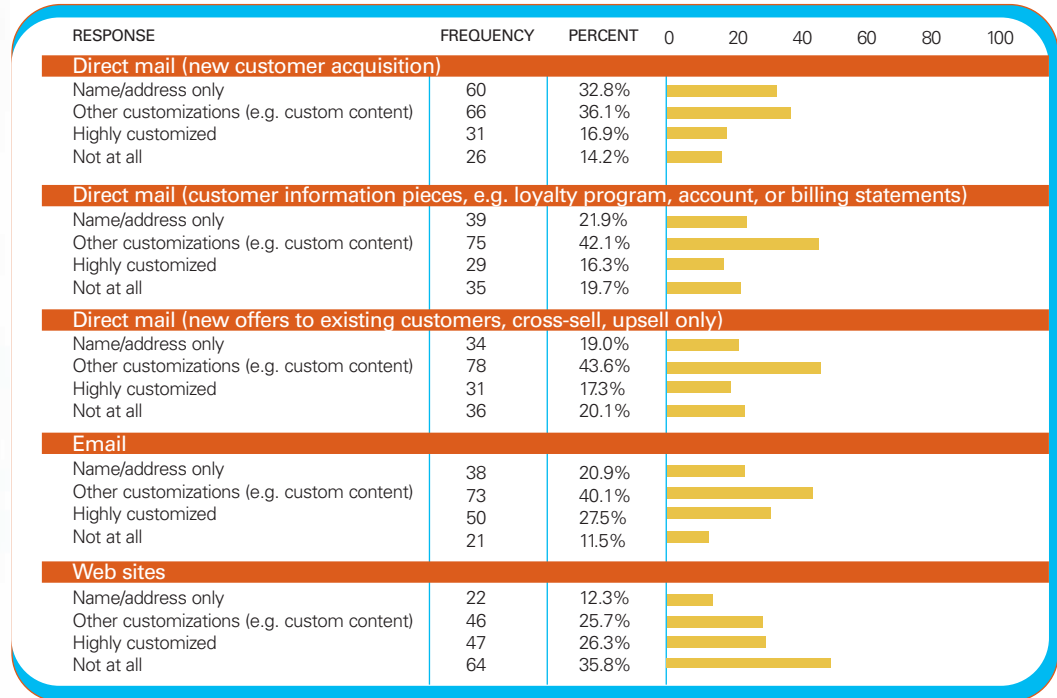
That siloed approach risks sending customers mixed messages, a poor way to execute a customer strategy at a time when consistency and relevance are imperative. So an increasing number of companies are turning to direct, personalized communication across multiple channels as a way to maintain relevance in a world where customer defection and product commoditization are constant threats. "A lot of companies are in the direct marketing business and don't know it," says Mark Koler, president of marketing services firm CGSM. "If we know what customers buy, we can develop customized messaging about what's next to buy in the chain, and by whom, and directly give them those messages to convert them into better customers."

Smart companies are already doing so. The "2006 Custom Communications Report," conducted by *1to1 Magazine* and Xerox Corp., found that while about three quarters of the 250 marketers surveyed customize their marketing communications in individual channels, nearly 42 percent customize some of their marketing communications across channels to create an integrated marketing program. About 15 percent do so with all of their marketing. Another 20 percent haven't done so yet, but are considering the approach.

"Marketing practitioners are increasingly embracing custom communications," says Bob Wagner, vice president of Xerox's creative services business. "There are [still] some perceptions among marketers

# Organizations That Customize Marketing Communications to Customers Today

Do you customize the following marketing communications sent to customers?



that custom communications programs are more expensive or harder to do, but increased response rates and ROI make up for that.”

## Build high and wide for happiness

Pioneers of multichannel customization have enjoyed substantial returns (see “Pantone Colors Its Customer Strategy,” October 2005). In fact, about three quarters of the *ItoI/Xerox* survey respondents are seeing increases in both responses rates and sales as a result of using custom communications; about one third on average have seen a boost in results within individual channels from using integrated, multi-channel custom communications.

But it is important to understand that in multichannel campaigns, each channel and component of the campaign should not be expected to deliver equal results. In a multi-touch campaign, for example, the first contact—regardless of the channel selected—may not make the sale. “One channel can help you warm up the lead or determine who will be a good candidate for your services,” says Wrich Printz, CEO of L2, Inc., which develops management software for multi-channel campaigns. “You have to understand how each of the [channels] you’re dealing with contributes to the campaign.”

Hyperion, Intel, and HP partnered on a joint

project to present Hyperion’s business process management (BPM) software solutions to a wider audience. The stakeholders decided early on that they wanted a sophisticated, tightly targeted, and heavily customizable approach to reaching customers. With support from key marketing services partners, they designed a multichannel campaign to provide variety while maintaining relevance at every step. “For years our companies have gone to market together in a number of ways—webinars, road shows, whatever you can think of in order to sell,” says Daniel Johnson, Intel strategic relationship manager. After a conversation with marketing services provider The Mahoney Company, Johnson decided to champion this type of cutting-edge campaign. Mahoney became the project’s creative and fulfillment partner, while L2, Inc. provided the software infrastructure.

Rather than overwhelm the project with too many goals, the stakeholders decided to focus on two key markets: Fortune 2000 health care and financial services providers. Within those segments, the marketers wanted to appeal to four different types of top executive: CEOs, CIOs, CFOs, and senior IT managers. “We feel comfortable that we own the finance office relative to our competitors, but we wanted to reach beyond finance [to] executives who don’t

have as much experience with Hyperion,” says Marc Micek, senior business development manager at Hyperion. “We needed to break through the clutter and felt this vehicle could be effective for us.”

“The hardest thing to standardize on was figuring out how to relate everything to the core message.”

But the messages that had worked in the past for Hyperion’s core champions in the corporate treasury weren’t appropriate for the entire audience. “It’s really obvious that what drives a CEO is far different than what drives the CFO, CIO, and CTO. But each is going to be part of the committee for choosing a solution, so you have to send the right message to each one of these people. Getting the right message to the right person talking in their language is nirvana,” Johnson says. “It was an exercise in project management, setting up a team to come up with the right message for a person, deciding what drives a CFO in healthcare and what drives an IT manager in finance. The hardest thing to standardize on was figuring out how to relate everything to the core message.”



## Survey Shows Customization, Multichannel Catching On

“The 2006 Custom Communications Report,” conducted by *1to1 Magazine* and Xerox Corp., asked more than 250 marketers about their use of customization and multichannel communications. The results suggest a growing interest in truly integrated, relevant marketing.

- About **80 percent** of respondents say they customize their marketing communications.
- Among companies using personalization, email (**68 percent**) was more likely to be customized using complex factors than direct mail (**54 percent** on average) and Web sites (**52 percent**).
- Nearly **50 percent** of respondents use custom communications for reaching out to high-value customers and targeted demographic segments, and about **30 percent** use custom communications for interacting with behavioral/trigger-based segments.
- **Cost** is most commonly cited as a barrier to further customization of print, followed by **data** issues and the lack of **tools** for customization. In digital channels, however, data issues are most frequently cited as a barrier, with cost trailing other factors, including a lack of necessary tools.
- Among respondents making use of heavy customization in direct mail, roughly **one in four** reported a gain in sales of **25 percent** or better. **Twenty-five** percent of customized emailers and about **24 percent** of Web site customizers reported similar gains.
- Slightly more than **half** of respondents indicated they plan to increase their level of email customization over the next **12 months**, compared to **43 percent** for Web and about **45 percent** on average for various types of direct mail.

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View the complete survey results at [www.1to1media.com/links/ccsurvey.html](http://www.1to1media.com/links/ccsurvey.html)

►► The stakeholders decided to target two verticals, and four different roles per vertical market. The result was eight distinctive presentations, customized for each recipient at the time of printing on everything from text to deliverables (CEOs rated custom-printed cardboard boxes, hand-assembled by The Mahoney Company, while IT managers received full-color customized postcards). The imagery is the same for all executives in each segment to promote consistency. The custom print piece urges the reader to visit a personalized URL, offering case studies and other downloads tailored for the industry and role of the respondent. The reader is also asked to answer survey questions relevant to his or her role and industry. “This information all gets delivered a couple of times per week to Hyperion—we’re tracking what they

do, what they download, and putting that information back into the database,” says John Mahoney, president of The Mahoney Company. That insight has been used to refine the message as the project continues.

The qualified electronic messages have been followed up by email, and then again with a secondary print campaign, each time refining the message based on response rates. The next step in the campaign involves more electronic communication, to help address additional questions for prospects who have not yet committed.

### Multichannel strategies that work

Although a multichannel approach can be a valuable technique, do not mistake methodology with call to action. Simply using multiple channels to reach customers, in and of itself,

was not enough to ensure success for the BPM project. So the marketers attached what they believed would be a unique and irresistible hook to the early stages of the campaign: offering the opportunity for the respondent to influence a planned charitable donation through a Web site visit. The theory was that such an offer would be more meaningful to the C-level than an included gift or an offer of a prize drawing. “It has traditionally been very hard to reach decision-makers with direct mail—to get to the people at the end of the line, you have to get through the mailroom and personal assistants,” L2, Inc.’ Printz says. “To actually get the decision-makers to act requires some thinking—a sophisticated campaign. And the charitable offer got filtered up through personal assistants very quickly.”

The BPM campaign was still ongoing when we spoke to the stakeholders, but response rates on more than 2,000 unique deliverables thus far are reportedly triple those from previous BPM campaigns that lacked this level of multichannel customization. “What this means is that not only has the [campaign] been smart and offered something that’s compelling, but giving [prospects] their choice of response channel is working,” Printz says.

### Custom customization

Never lose sight of the flexibility offered by this new marketing approach. The same evolution in publish-on-demand printing that makes the custom full-color printouts in these campaigns feasible offers freedom beyond simply customizing a flowchart of information and taking a hands-off approach. The BPM project has already refined some of its messaging in print. “We saw [from early results] that we tried to get too deep with our messaging, and that caused us to spin our wheels a little bit. After seeing that, we simplified the message and tried for just one catch phrase,” Intel’s Johnson says. “For a healthcare CEO, that means offering ‘shortened patient stays’—that’s one phrase that makes them read—rather than printing out five bullets trying to tell him how to run his business.”

Don’t be afraid to be selective about channels. Not every channel may be appropriate to every campaign or customer pool. Working with

marketing services provider Responsys, E-Loan has adopted an aggressive multichannel program to reach out to prospects who start filling out a loan application but never complete it. Customers who do commit to a new account quickly receive a personalized email and print response thanking them for the business. But the company has resisted any urge to proactively send customized print pieces to those who abandon an application. “The payouts on direct mail for abandoned customers who maybe weren’t serious about applying are not great,” says Robert Raines, director of product management and cross-sell. So while those prospects receive multiple customized email reminders, no paper is exchanged.

The company’s new personalized thank-you cards are E-Loan’s way of trying to maintain a physical presence in an electronic business model, noting that its primary competitors are brick-and-mortar mortgage brokers, many belonging to small, neighborhood finance companies or banks. “We can’t compete with somebody who’s going to show up at your door with a case of wine, but we can do something better than an email,” Raines says. “And we get a lot of anecdotal responses from the loan consultants that our approach is working.”

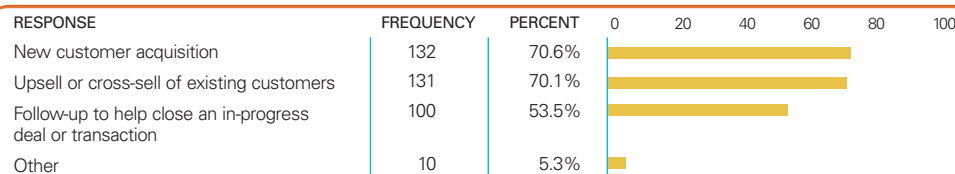
The BPM stakeholders have similar praise for their solution. “The solution was extremely valuable. We have done road shows that cost \$100,000, and we don’t know for

sure that the audience actually cared about the Intel portion of that campaign—we have no way to know that,” Intel’s Johnson says. “In this campaign, if we put certain links in there about Intel-only technology and get a

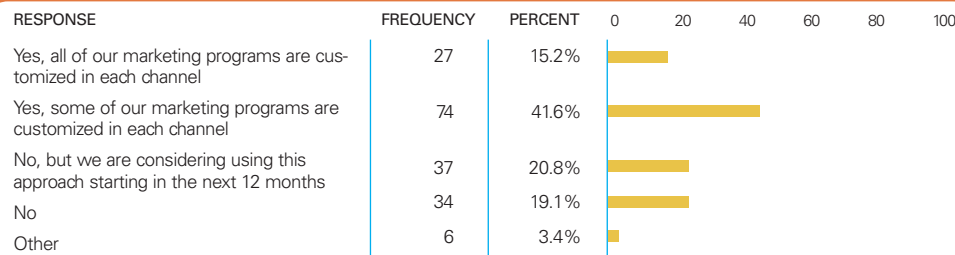
buyer apathy and build closer one-to-one links in the face of growing competition for time and attention. “Direct mail fell off the radar because people felt that ‘nobody’ reads mail anymore, but it’s come full circle now and

## Reaching Across Channels

For which of the following applications do you use custom communications? (Please select all that apply)



Do you customize across channels, meaning, are you using customized, multichannel, integrated marketing programs?



certain amount of click-through, we have a better idea that people do care about Intel technologies, and that’s valuable to us for driving the ROI case.”

These strong early results show that multichannel, highly customized campaigns are one of the most promising ways to break through

‘nobody’ reads email,” Johnson says, adding that multichannel marketing campaigns will become “a standard by next year or the year after, because you have to reach customers in many different ways. You’ll still do the roadshow and webcast series, but you can do all that in these customized programs.” ■

## Who’s Who in Multichannel Custom Communications

The right mix of software and hardware helps to create winning personalized marketing campaigns. Here is a sampling of the vendors that provide those tools.

Adobe	variable data publishing software	www.adobe.com
Exstream Software	enterprise personalization software	www.exstream.com
Hewlett-Packard	digital printing presses	www.hp.com
Kodak	digital printing presses	www.kodak.com
L2, Inc.	multichannel communications software	www.l2solutions.com
Pageflex	Web-to-print applications	www.pageflex.com
Quark	variable data publishing software	www.quark.com
Xerox	digital printing presses	www.xerox.com
XMPie Inc.	variable data publishing software	www.xmpie.com