

## Clearing the Jungle of Misinformation

By Frank McPherson

In this column, I'd like to talk about what I call the many "myth-conceptions" about **Variable Data Printing (VDP)**. Some of them are negative myth-conceptions. Others are positive. Either way, they are still myths, and knowledge is the key to creating strong, effective variable data printing strategies, so let's take a look.

**1. No one is doing VDP.** While this is a popular myth, it simply isn't true. There are many companies doing variable data print and making lots of money at it. In fact, VDP has been a long-term profit strategy for innovative marketers for nearly a decade now. It's just that the really successful ones don't talk about it. No one is jumping up and down, saying, "I got a 25% response rate! I got a 25% response rate!"

For this reason, it would be easy to write off this myth-conception as unprovable. Fortunately, you don't have to take my word for it. There is a growing body of case studies being released both by the companies themselves and by organizations like the Print on Demand Initiative (PODi). While many highly successful marketers won't reveal the secrets or details of their campaigns, you can sometimes find out who they are. For example, the Walt Disney Company won a Best Practices Award from PODi for its use of variable data print earlier this year.

If you want to keep track of some of the most innovative VDP users in North America, one place to start is to join PODi and read up on its case studies. They have hundreds available in their library. Not all are variable data (some are digital print), but some are. And their Best Practices Awards always provide nuggets of information.

**2. All case studies are correct.** As a service provider who produces variable data print, it might serve my interests to say that all of the sensational press releases touting VDP success stories are accurate (especially after writing myth-conception #1). But the fact is, many are misleading. Case studies can be slanted in whatever way the marketer wants, especially in how the numbers are presented.

For example, response rates are often provided in incremental increases rather than actual increases. This makes a big difference. An incremental increase of 30% could mean that the response rate has gone from 1% to 1.3%. An actual response rate of 30%, on the other hand, means that, of all of those who received an offer, 30% actually responded to it.

**3. VDP is too expensive.** The truth is, VDP is only expensive if you don't operate according to the principle that CDIC calls "Relevance of Information" (ROI). If you have 100,000 customers, you aren't going to send 1:1 marketing pieces to all 100,000 of them. You'll pick the 10,000 customers who are most likely to respond to your offer, and then tailor your message to them. In the end, you could end up spending less on the overall campaign, while reaping significantly more in revenues.

This was exactly my point in my last column, "More Is Less," and it contains a chart that marketers should really become familiar with. If you haven't read this column, I highly recommend that you find the September issue of *Direct Marketing News* and check it out.

**4. You can't do good design work to do VDP.** Many designers mistakenly believe that, in order to do VDP, you have to "cheapen" your design work — that your creativity is somehow lessened. While it is true that you do have to work within certain parameters in order to do VDP, it's not a fair criticism.

The need to work within certain parameters is required by *all* media and *all* applications. When you design a Web page, you can't put 5,000 words on the main page. Nobody will read it. When you are working in traditional direct mail, you can't create a piece with 20 spot colors. No one will print it. Every process has its parameters that you have to live with, and none of them are restrictive to good design.

Variable data print is no different. For example, you can't create lots of super-tight spaces when you have information fields whose text could vary widely. You don't want to end up with weird breaks or disappearing text. But this doesn't mean you have to put out a badly designed piece or compromise your creativity.

**5. Companies are unwilling to release the results from their campaigns.** While it's true that most companies will often not release their results publicly, this doesn't mean that they won't track results or provide them to interested parties. Often, marketers *will* track results and share them, when appropriate, especially if there are confidentiality agreements in place that require all results to be held in strict confidence.

What good is having results if you can't make them public? First, it gives you a better way of designing programs in the future because you know what works and what doesn't. If you know that design A gave you a 10% response rate and design B gave you a 12% response rate, which design are you going to choose next time? There are lots of ways to use this information.

You can also do what are called "anonymous case studies." You may not be able to release the company's name or give away any information that might identify it, but

you can say that a regional bank did this kind of campaign and achieved a such-and-such response rate — as long as you don't give away key details or proprietary or competitive information. To what extent this information can be aggregated or sanitized can also be written into the confidentiality agreement.

**6. Marketers can't do VDP program because they have bad data.** There is no such thing as bad data. It's what you do with the data that is available that makes a program successful. Sometimes with very little data, you can have a successful program.

In a seminar at Print 05 in Chicago, one presenter provided six VDP case studies, most of which varied only the recipient's name and a map based on his or her mailing address. These mailings, which started with a good base of target prospects, had response rates anywhere from 4% to 14%. In one case, the target list was split between variable and static and the variable response rate was 3% higher than the static rate.

Myth-conceptions are powerful disincentives to branch into new applications like variable data print. Hopefully, this column will have dispelled a few of them. Because, I can assure you, marketers are producing VDP programs, they are making money with them, and they are doing it in very creative and profitable ways.