

## Direct Mail—Connecting Technology and Relevance

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**Relevance.** The Online Merriam-Webster Dictionary defines it as a noun, “1. relating to the matter at hand, and 2. the ability to retrieve material that satisfies the needs of the user.” This is a slight truncation of the definition, but it embodies the intent of the discipline of direct mail.

Never before has this term been more important to direct mail and even the direct marketing industry in the broad sense of the term. Whether we recognize it or not we are in the midst of a paradigm shift in the world of communications. Every second we are becoming more “connected” and identifiable. Data is being collected. Phones, cars, and gosh knows what else with GPS devices are being sold. Our online habits are being tracked. Coupled with the phenomenon of social networking, we are on the edge of a new and exciting frontier.

I won’t “point-counterpoint” the discussions surrounding electronic versus paper communication, as there are many opinions and stats available and suffice it to say that within my article, my opinion counts. I believe effective communication will exist across a wide spectrum of channels for years to come. To truly appreciate where direct mail is going it will always have to be viewed in the context of where the rest of the communications industry is at or moving toward. Online was the flavor of choice in the late ’90s and early 2000s and now has healthy numbers and potential, but its not the “Killer Only-App” some folks made it out to be.

In the beginning direct mail was like an axe. Cutting forests (don’t spin that comment into an environmental one, please) it worked very well. In its infancy, direct mail was cutting massive forests to get at some valuable branches and even high-value leaves. Then in the last twenty years we’ve been segmenting and cutting certain trees or even branches with more purpose-built knives and trimmers. What is here now is the scalpel and tools that allow us to trim only specific leaves in a massive forest of consumers.

The tools at this point include among other things: variable-data printing; selective insertion and/or binding; and the core—data capture, manipulation, and understanding. When used correctly they allow marketers to target leaves in a forest, resulting in “smarter mail.” The result should be a relevant message, pinpointed to the recipient.

We’ve all seen those drop-dead mail packages that elicited 80% response, only to be a bit disenchanted when we find out the mail quantity was 350 pieces (not a thousand). These are important, but

most marketers I know have bigger targets and this is where the economies of scale play into the equation. How do I get 1:1 yet still generate a fiscally responsible cost per response.

### Variable Color

First, and because it’s been on everyone’s radar for years, is variable color; with many of the operational issues all but corrected, it is a robust and effective way to communicate to an individual within a larger mailing. Sheet sizes and formats abound. You will see a trend toward hybrid products. In the past this meant colored shells with variable black text (maybe sheets or even books or booklets). You will see more and more products that take advantage of the stock power buying and litho prowess accomplished, performed by printers coupled with a second side of the sheet produced by a variable color press. It will also be a process to watch since it will require an organization with both traditional litho experience and VDP expertise.

### Intelligent Insertion

Over the last six months our organization has been approached not less than a dozen times about “intelligence” at the insertion stages to create a relevant mail package. A variety of things can be done at this stage, from selective insertion (selecting different inserts based upon data), matching different personalized pieces, matching personalization on the outside of an envelope (name or message) to the contents of an envelope, and audit/verification of the exact pieces (by record) having been processed.

Although inserter intelligence has been around for some time there is a growing interest to create, not just the personalized mail piece but also a personalized mail package. The rationale: removing clutter from the envelope and creating a relevant package for the recipient. How often do we quickly scan the contents of an envelope? What if each piece mattered to you? How would that affect your acceptance of the package, perception of the mailer, and likelihood of responding? Selectively inserting the non-personalized components creates this more personalized experience for the recipient.

Matching personalized pieces in a mail package is nothing new in effective communication with a few different options out there from the older style “video-match” to the newer optical character recognition methods. The newer reading technologies being used in large part read a defined number, name, or even barcode and then relate it to a database. There is no human interface via a split video screen; it’s all technology driven. This same reading technology can be used for the other functions mentioned: matching multiple pieces in an envelope, reading and writing personalized information on the exterior of the envelope, and verification once a package has been completed. This technology also has value on other platforms, think polywrapping, saddlestitching, and other finishing processes.

Conversely, in-line packages take various substrates and combine them, personalizing them on the fly. These technologies are more prevalent in the U.S. with larger runs and can create some very effec-

tive economies of scale, limited only by the need for volume and some restrictiveness when it comes to variants inside the package, as opposed to variability of the message inside the package.

Although the economy has eclipsed the environment in recent times, it's not because environmental concerns are any less important, just overshadowed for now. When things get back on track financially the environment will still be a high priority. Variable imaging and intelligent insertion has a positive effect on the environment. By removing those items in an envelope or mail package that are not relevant to the recipient less paper is consumed and transported, using less fuel, and we shouldn't overlook the possible postage savings (depending on what postage threshold one is at). With the effective use of technology I do not see these two issues, environment and economy, mutually exclusive; I see them as being quite inclusive.

### Why Still Traditional?

So why are so many mailings still being performed traditionally? The effectiveness of technology has been growing for many years, yet many databases and their contents for the most part remain "legacy" in nature. What can be done on the production side of things with technology, in general, probably exceeds what the marketers can do with the data. There are exceptions and some of the big companies have worked diligently at cleaning and developing their database and effectively market using some technology. More have moved toward collecting the data and building infrastructure, but very few have embraced the appreciation and money it takes to really explore their customers' and prospects' needs and wants and then hire the skill to turn this relationship building into ROI. One possibility is that it may still be misunderstood by many of us.

The skills on the production side to run the hardware is one thing, and the skills on the marketing side to decode the information and create effective communication using the available production applications are a whole different issue.

### Relevant Direct Mail Packages

During the early '90s I used to receive mailing packages with my name everywhere on it. It was on the envelope, in the letter, on the lift note, John, John, John, JOHN. I am sure some of you recall this type of package. This is not relevant messaging; it's overusing technology, and from a production standpoint it was always interesting to figure out how they could do this cost-effectively. But from a marketing standpoint this is really a misuse of technology. I suggest to our clients that the best personalization or customization is not in-your-face. It's a combination of images and text that speaks to you, matches your needs, and matches your wants without saying John eight times in one paragraph.

Although there are many very bright people in the industry, many "marketing meets technology" are still in development—combined skill-sets of mining data, understanding behavior, viewing it in the context of developing effective, relevant communication, and then executing it using the technology available.

Technology exists to create a rich and relevant mail package for consumers—communication that matters to them and holds value for them. The data is out there in various forms, being gathered and cataloged in many ways across various platforms and the possibilities of understanding our clients are truly amazing. The shift comes in the form of how we use it. How do we take this growing wealth of information and tactical ability, and tie them together to encourage relevant communication that produces ROI?

The next few years will be us, the industry, the marketers, and even consumers figuring out how to put these pieces together. Ultimately it will be those who understand this collaboration who will have the biggest impact on the information, how to execute relevant communication, and ultimately guide the future of direct mail.



### Comprehensive Resources on Direct Mail

**Direct Mail Pal** and **Direct Mail Pal—Canada** are powerful marketing

tools with smart, thorough explorations on direct mail. These books cast light on every corner of the process, including planning, pre-production, production, and postproduction procedures.



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