



Tailor Made

PUBLISHING'S **FUTURE** IS ONE-TO-ONE MARKETING

BY ROBERT HAAS

In a world not far into the future, technology is so advanced that even the most intelligent beings no longer struggle to make sound business decisions. Decisions are executed using pure logic, without an ounce of subjectivity. Learning becomes a process, not an exercise. Structure is measured in lines and tables with infinite possibilities.

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INDIVIDUALIZED



BIG DATA

Welcome to the future of data. Today, we are pioneers exploring its terrain. We develop complex blocks of code in hopes of launching the next big thing. “Data” is as much of a buzzword as “revolutionary” was in the 1990s. The digital age is upon us and those that fail to evolve will flounder to the point of financial ruin.

That’s especially true for publishers. We see print’s value come under constant fire. With the high cost of paper, postage, and the lead time needed to produce any given publication, many have asked if publications are still a good investment. The answer is yes. We simply need to establish new rules of engagement. And here is where data — and personalization — comes in.

WHAT IS BIG DATA, ANYWAY?

If you asked five different people that question, you’d get five different answers. But it can be boiled down to this: Data is nothing more than an Excel spreadsheet with a list of who’ll receive this year’s Christmas card. Every business, whether it serves consumers or other businesses, has a list of past and current customers. The complexity of data can range from a simple name and address to name, address, plus any element that touches everyday life. Think of a grocery store that gives you a discount every time you use a loyalty card. That discount is really the grocer’s cost of acquiring your shopping history, enabling that business to understand who you are and what you like. But at the end of the day, is any of this data really big? No, not really.

Big data lives within the walls of companies such as Acxiom, Experian, or Nielsen. You may not recognize their names, but they maintain databases that contain every address in the United States. Each record might be linked to hundreds of individual and household attributes, both verified and modeled data points. A publisher of consumer magazines might use this data to acquire attributes to enhance its existing database, analyze and segment its circulation audience, or serve up demographic and/or psychographic profiles to an advertising client. Think of the value in acquiring information that could tell you each customer’s age, income, average length of residence, whether children live in the household, education level, and lifestyle habits.



When you work with business-to-business data, appending company details (such as industry type, sales revenue, number of employees) to propriety transaction information creates opportunities for advanced targeting to promote the products and services that match these profiles. Big data companies can use the most basic database to create segmented strategies that identify unique characteristics in a data file. Publishers can use that data to refine existing marketing campaigns and pinpoint lookalike customers.

If your business has a database that you know is outdated or inaccurate, there are infinite options to clean it up using existing technology. And even if your database is as clean as a whistle, it is important to look for opportunities to enhance it organically. In the publishing world, you might use a combination of your publication, email notifications, and Web presence to reach your readers to request data. By providing the right incentive, you can direct these readers to a microsite

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landing page where they can deposit information. Based on the state of your database, the data provided may be used to create a fresh database or to enhance your existing records with basic household demographics and/or lifestyle preferences.

Additional options to enhance a database include:

- Customer surveys
- Texting campaigns
- BRCs (business reply cards)
- Personalized URLs

Every reader and advertising client consumes information differently, so there is no one-size-fits-all-solution when it comes to database hygiene and enhancement. But there's one rule of thumb: Gather information in bite-sized pieces. Don't send a customer a survey with 30 questions once a year and expect a high response rate. Instead, nurture a relationship with more frequent but shorter touch points (i.e., two to three questions several times per year).

It's also critical to consider the communication-delivery method. Is the reader or advertising client more likely to use text, social media, or email to respond? If you don't know, test, establish a control, and test again. The critical element to recognize is that a clean, properly structured database is the foundation to launch any type of print personalization efforts.

COST-EFFECTIVE TOOLS

Traditionally, print personalization and publishing have not had a well-aligned relationship. Within the last 10 years, the

print industry has been afforded access to cost-effective tools to enable true print personalization and segmented communication in a static distribution of traditional magazines. That said, publishers today continue to use the same print production and distribution methods they used 10, 20, even 30 years ago.

As the cost of print continues to rise at the same time that our medium fights an ongoing value proposition with advertisers, millennials, or anything digital, it's become increasingly clear that we as publishers must evolve at a faster pace. We must begin delivering content based on reader preference as well as personalized advertisements. In order to move this initiative into a widely adopted phase, we'll need to utilize a combination of offset print, variable digital print, and a clean database with enhanced data elements. The result — increased reader engagement with a one-to-one marketing tool for the advertising clients — is well worth the effort and investment.

To illustrate what I mean, let's create a scenario in which X Media Company publishes a monthly magazine focused on pop culture. X Media's circulation is 100,000 records that are spread across the United States. After completing an initial database analysis, a sample of a base customer profile emerges, looking something like this:

Verified demographic elements based on address match:

- 80 percent of readers are between the ages of 35 to 50.
- Average household income is \$125,000-plus.
- 65 percent of households have children living at home.
- Average length of residence is five to 10 years.



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Profiled lifestyle elements that are considered “highly likely” based on location within zip+4 geographic area:

- Visit the zoo
- Watch E! Entertainment TV
- Drive a Volkswagen Tiguan
- Ethnically diverse: Caucasian, African-American, Asian, Hispanic

There are a couple of initial takeaways from this analysis: The majority of your readers are ethnically diverse families with disposable income, live in the city (versus the suburbs or rural areas), and enjoy child-friendly activities. While nothing about this analysis is groundbreaking, it creates a foundation to begin a deeper dive into enhancing the individual records.

To do so, you might develop a marketing campaign that would focus on getting to know your readers better. Lay out a plan of expected communications over the next 12 months with an incentive for your readers to participate. Incentives can be as simple as a giveaway of an iPad or something that offers more exclusive value, such as a white paper or an experience. It may be most effective to offer the incentive via more than one channel (i.e., email, text, or business reply cards) when soliciting feedback from your readers. I'm most likely, for example, to respond to a text. Your initial questions should be limited to two or three at most, should address broad topics, and require no more than one- to two-word responses — multiple-choice options are even better. Since you, as X Media Company, are all about pop culture, you might ask readers if they attend the theater, frequently go out to eat, or have a particular hobby. Based on their answers,

you will be set up for another line of questions that dig deeper into your readers' preferences.

WHAT DO WE DO WITH ALL THAT DATA?

Now that you have a much deeper understanding of your audience and have some specific data on certain segments, it's time to get personal. While the application of personalized variable data print is not new, it's certainly underutilized in the publishing industry. Most think it's way too expensive. While this may be true compared strictly to offset print, the incremental benefits far outweigh the increase in cost. That's not to say that you should go full-steam ahead and print a fully personalized magazine; we need to walk before we run. Let's start with the cover and explore a couple of possibilities. When using the cover as the variable platform, it offers four positions (front, inside front, inside back, and back; or cover 1, 2, 3, and 4) that can be personalized and that ensure the one-to-one matching logic — in other words, develop a cover that speaks to an individual. Let's assume that our X Media Company's analysis also revealed that a particular reader is a lover of the performing arts, eats out three days a week, and enjoys taking weekend family trips within a few-hours' drive of her home. The cover artwork can be designed in a way — by using images and messages — to call out content in the issue that showcases live events, restaurants, and leisure travel in her region.

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the possibilities for the remaining three cover positions. The ability to sell what has traditionally been a broad media, static position is now a one-to-one direct marketing position.

Your pool of potential advertisers just grew exponentially based on that segmentation strategy — multiplied by the number of advertisers that would be interested in buying that particular position. In other words, if the base rate for cover 2 was \$7,500, your potential revenue could increase to \$37,500 if your data is segmented into five buckets.

The argument might be made that you would need to decrease the space cost based on a lower distribution. I would say that all costs remain the same or that you could even charge a premium based on the highly targeted one-to-one messaging opportunity. By applying the same process to cover 3 and 4, your potential revenue explodes. Compared to a direct mail campaign, the space cost is likely 30- to 50-percent less expensive — and with comparable one-to-one targeting benefits.

STEPPING IT UP

Ready to elevate the game even more? Imagine using advertiser data to overlay transactional history with your database for re-targeting opportunities. Deliver printed advertisements or offers based on the readers shopping history, abandoned shopping carts online, or lifestyle preference. This could be accomplished by creating tracking metrics through the use of variable barcodes or promotional codes that measure the return on investment. At the same time, you're also providing valuable insight to the advertiser through the use of test messaging, offers, and placements that maximize reader engagement. A key piece to this is integrating the print offers with your digital products to ensure the content is being consumed regardless of media preference.

All of the processes, concepts, and ideas shared here are still relatively new, even in the digital world. And while these hypertargeted solutions may not apply to all industries or



to your particular publication, the basics of personalization and segmentation are ripe for exploration regardless of niche or audience. You can start small. The foundation of any print personalization begins with a simple list, and there are infinite resources, big and small, to help develop that list into a working database.

It's clear that the future of marketing is direct and that print is a critical element. According to recent Direct Marketing Association reports, the response rate for direct mail among existing customers is 3.4 percent — more than 28 times the 0.12 percent for email. With the unique solution that publishers can bring — using content and one-to-one marketing at a potentially lower cost than direct mail — the future of publishing looks very bright.

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