



# Variable Data Printing

Transforming Marketing Data  
into Growth and Profit



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prokom



PRINT  
FUTURE

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# Introduction

It's no secret that printers and marketers are faced with quite a few challenges today in how they grow existing business and lock in their customers. Resources are diminishing while expectations around performance and return on investment are increasing all the time. The use of variable data has now become a key component for commercial graphic arts printers to add value. Variable data printing has been around in the print industry for decades, starting from the use of low-resolution mono variable content used in transactional documents for billing and statements. In the last ten years, full colour digital printing technology has developed in the commercial graphic arts sector in conjunction with automated workflows and data management. This has allowed printers to use variable data and imaging to completely personalize documents and collaterals creating a new market sector called 1-1 personalization.

Database marketing is a form of direct marketing using databases of customers or potential customers to generate personalized communications in order to promote a product or service for marketing purposes. The distinction between direct and database marketing stems primarily from the attention paid to the analysis of data. Database marketing emphasizes the use of statistical techniques to develop models of customer behavior, which are then used to select customers for communications. Having a greater amount of data about customers increases the likelihood that a more accurate model can be built.

There are two main types of marketing databases, 1) Consumer databases, and 2) business databases. Consumer databases are primarily geared towards companies that sell to consumers, often abbreviated as [business-to-consumer] (B2C) or BtoC. Business marketing databases are often much more advanced in the information that they can provide. The "database" is usually name, address, and transaction history details from internal sales or delivery systems, or a bought-in compiled "list" from another organization, which has captured that information from its customers. Typical sources of compiled lists are charity donation forms, application forms for any free product or contest, product warranty cards, subscription forms, and credit application forms.

Digital print can now engage end users on a personal level and elicit direct responses or point them to personalized web sites, for more information or to complete a transaction. During the process of customer interaction it is possible to collect valuable data on who responded, what they did and when. Marketing departments know that this data and associated metrics are vital to understanding the outcomes from an individual marketing piece as well as adding a lot of value to the entire marketing process. This is something that the majority of printers still need to take on board, as they often find getting involved with any form of evaluation or metrics intimidating.



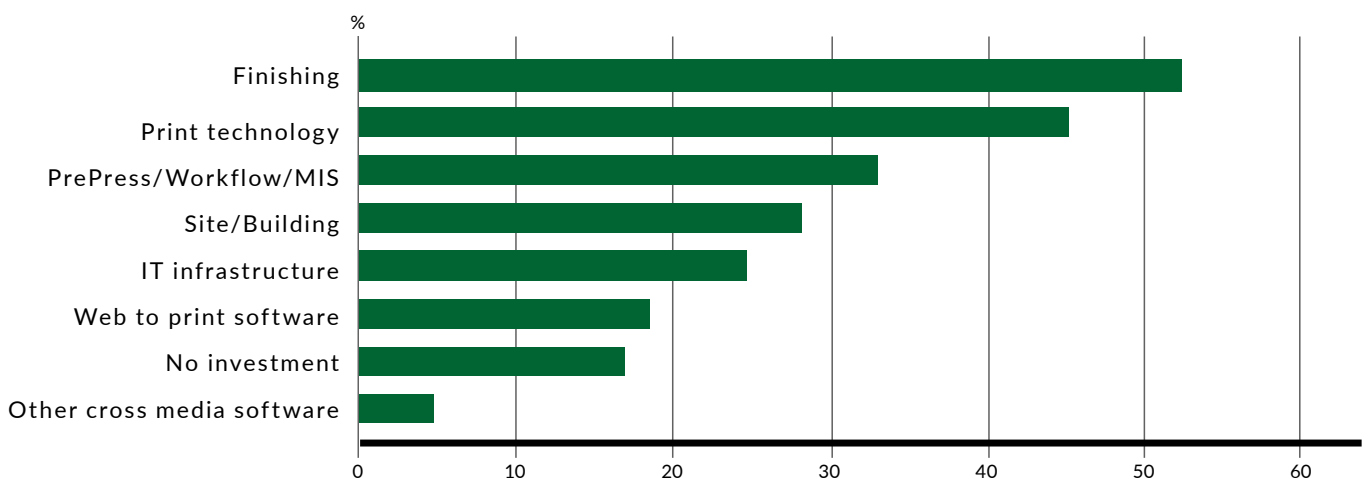
# The Landscape for Variable Data Printing

Although variable data printing is widely talked about in the industry, there are surprisingly few printers who are using who are using variable data printing (VDP) with any degree of sophistication, which means there is still a major opportunity to develop your capability and sell a new service to your customers. As a print provider new to using variable data, this can be a daunting task...where do I start? What should I be looking for and why? These are the questions that scare off most printers because they can't understand how they can ever, fit metrics and analysis into their already busy schedules. Is there any alternative? Customers are requiring more and more tangible justification attached to their marketing budget.

Justification for marketing decisions is now becoming critical and customer retention is now aligned to successful data driven marketing concepts and campaigns.

Digital print's best added value capability is that of variable data, yet printers find it very difficult to exploit it. In the 2019 drupa Trend Report just 20% of printers globally stated that of their digital print, more than 25% used variable data – just 1% higher than in 2014. Functional print was highest at 33%, followed by Commercial at 29%, Publishing at 16% and Packaging 12% (9% last year).

Capital Expenditure targets 2019



drupa trend report 2019

As can be seen from the capital expenditure targets for printers, improving their IT infrastructure and capability to use data and cross media is not a high priority.

Only around 10% of print companies were using variable data printing beyond basic name and address, which means there is a phenomenal opportunity to gain a competitive advantage for printers willing to develop a variable data printing capability

Many print providers are only capable of simple mail merge and basic applications of variable data printing, but more complex projects (requiring multiple images, dozens or even hundreds of different pieces of data, and complex rules for combining text and images) are something that only the top 5-10% print providers can currently tackle.

Today's environment supports a wide array of communication channels, including print, email, mobile, and web. However, with so many channels contending for the consumer's attention, creative professionals are faced with the challenge of creating campaigns that target specific consumers through personalization.

Digital print can now engage end users on an individual level and illicit, direct responses or point them to personalized web sites, for more information or to complete a transaction. During the process of customer interaction it is possible to collect valuable data on who responded, what they did and when. Marketing departments know that this data and associated metrics are vital to understanding the outcomes from an individual marketing piece as well as adding a lot of value to the entire marketing process. This is something that the majority of printers still need to take on board, as they often find getting involved with any form of evaluation or metrics intimidating.

However, the variable data printing growth trend has led to a need for new skill sets and capabilities. Creative professionals who have expanded their offerings to include variable data printing solutions also have to differentiate themselves by offering value-added services that produce financial results from delivering messages. The flexibility of variable data printing yields a broad set of applications, from the basic data merge for business correspondence to highly complex customized pieces, causing the diversity of skill levels to increase. This, in turn, means that personnel for these service companies must understand the multitude of tasks necessary to carry out a variable data printing workflow.

Currently, there is a lack of employees who can link together all the intricacies of creative, IT, and print production skills, which is why variable data printing has not transformed the industry more quickly.

Market statistics on variable data printing clearly demonstrate increased sales, better returns and higher rates of customer loyalty for printers that provide personalized communication products

The latest digital print technology and software has made entry into personalized communications economical and far easier for printers to adopt. However, print providers usually begin to offer variable data printing to gain a competitive advantage, but they forget to train their staff on how to sell and market it.

The following white paper on Variable Data Printing provides a useful introduction as to why data management is a profitable new revenue stream, is critical to adding value to customers and locking them into your business. It provides a new range of opportunities to:

- Find new ways to market smarter and reduce costs.
- New ways to market additional products or services.
- New ways to retain customers—through extended product usage.
- Sell them a more expensive version of the same product.

- Make sales and marketing activity more focused
- Provides metrics for demonstrable return on investment

The white paper will explain why variable data is so important, what the key benefits are for both the printer and the customer. We will discover how variable data has evolved, what the trends are for future use and investigate why printers should invest now and how they can get started with some practical steps.



# What do we mean by Variable Data Printing?

Variable data printing is a direct result of the capability and rapid growth of digital printing technology and its ability to utilize computer databases and software to create highly effective full colour documents, with a look and feel comparable to conventional offset printing. Variable data printing enables the mass customization or versioning of documents through digital printing, as opposed to mass production of a single document using offset.

This is the unique value proposition of digital printing that instead of producing 1,000 copies of a single document that delivers a single message to 1,000 customers, variable data printing can deliver 1,000 unique documents that have customized messages and images for each customer. Being able to communicate directly with individual end users provides a tremendous opportunity for printers to add value to their customers marketing efforts. The returns on variable data printing are substantial, varying from double the normal return for basic variable content up to 10 -15 times the return for complex fully variable jobs. The returns generated depend on the relevance and timely nature of the content and message for the end user.

Variable data printing represents an effective tool for getting away from commoditized print products and increasing RoI for a customer's marketing campaigns

The challenge for printers is assembling the data they already have and combining this with new customer data to allow them to make data-driven decisions. The act of gathering data, managing it and compiling metrics for analysis can sound daunting. But if you take these things one step at a time and start off in a

simple and practical way, it can be surprisingly simple. However generating metrics to understand what worked and what didn't is fundamentally important and they can help overcome challenges and improve marketing results.

There are several levels of variable printing. The most basic level involves changing simple text such as a greeting or name on each printed copy in a very similar way to mail merging. More complex variable data printing uses 'versioning', where there may be differing amounts of customization for different markets, with text and images changing for groups of customers based upon which segment of the market is being addressed. Finally there is fully variable printing, where the text and images can be altered for each individual customer address.

All variable data printing begins with a basic design that defines static elements and variable fields for the pieces to be printed. While the static elements appear exactly the same on each piece, the variable fields are filled in with text or images as dictated by a set of application and style rules and the information contained in the database.

## How to print variable data printing

There are three main operational options or methodologies for variable data printing. In the first option, a static document is loaded into the printer memory. The printer is instructed, through the RIP (Raster Image Processor) to always print the static document when sending any page out to the printer driver. Variable data can then be printed on top of the static document.



This process is the simplest way to execute variable data printing, however it is not very different to a basic mail merge.

The second option is to combine the static and variable elements of a document into print ready files before printing; this can be done using standard software. This produces a conventional print ready file that includes every image being merged into every page. The drawback with this option is that it creates extremely large print files which require RIP's with enormous processing power. If the RIP cannot efficiently manage the files to be processed, printing speeds will be affected and can become too slow to make it practical to print a job of more than a few hundred pages.

The third option is to combine the static and variable elements into print files, prior to printing, using specialized variable data printing software. This produces optimized print files, such as PostScript or PPML that maximize the print speed by the RIP only processing static elements once.

Digital printing is now combined with the latest software, RIP and workflow technology to drive printing devices that can produce fully variable content on each page up to maximum rated running speeds. Content is drawn from computerized databases, according to "rules" on how pieces of text or graphics should be used and where they should be placed. As a result, variable data printing is perfect for exploiting the increasingly lucrative market for full colour customized communications.

## The important elements of Variable Data Printing:

Variable data printing should be viewed as a project and not as individual pieces of print. Variable data projects have three elements:

1. The creative,
2. The database,
3. The print production.

If any one of these elements does not perform then

the whole project can fail. Staff working on a variable data printing project must have an understanding of how all three areas can influence each other. Variable data printing solutions can require programming and some will have a complete point-and-click interface.

It is essential that the design element is handled by someone who understands the aesthetics as well as the variable data and be can plan the rules and the logic that specify which variable elements are used and where they will be placed

Databases are organized in two ways 1) by records and 2) by fields for each record. Each record has a predetermined number of fields. In a database about people, each person would be a record. The information for each person would be categorized into fields. A database about people, for example, might have fields for each person corresponding to their first name, last name, address, and phone number. Typically, databases store the changeable (or variable) elements in variable data printing.

Variable data applications draw these elements from the databases, according to predefined rules, to create pages and documents that contain different images, text, and even layouts. The information in the customer database would ideally be related to the audience for the printed document. It would contain information directly about the intended audience, such as names, addresses, financial data, or data that they have disclosed in previous transactions or marketing touch points. In the Content database information will include digital assets that could be relevant, a document aimed at business executives might contain images of meetings and travel or products like phones and computers, which might be regularly used in the work environment.

**DATABASE:** For most variable data printing, a simple table containing the copy, graphics, and photographs that will be varied in the printed document is adequate. Such database tables can be created in applications such as Microsoft Excel.

**BUSINESS RULES:** These are rules that specify what variable content to use and where to place it. They can be written in the variable data printing language.

**CONTENT:** Both static and variable content can be created with a variety of software; text with word-processing software, photographs enhanced with graphics software, graphics created from graphics software tools etc.

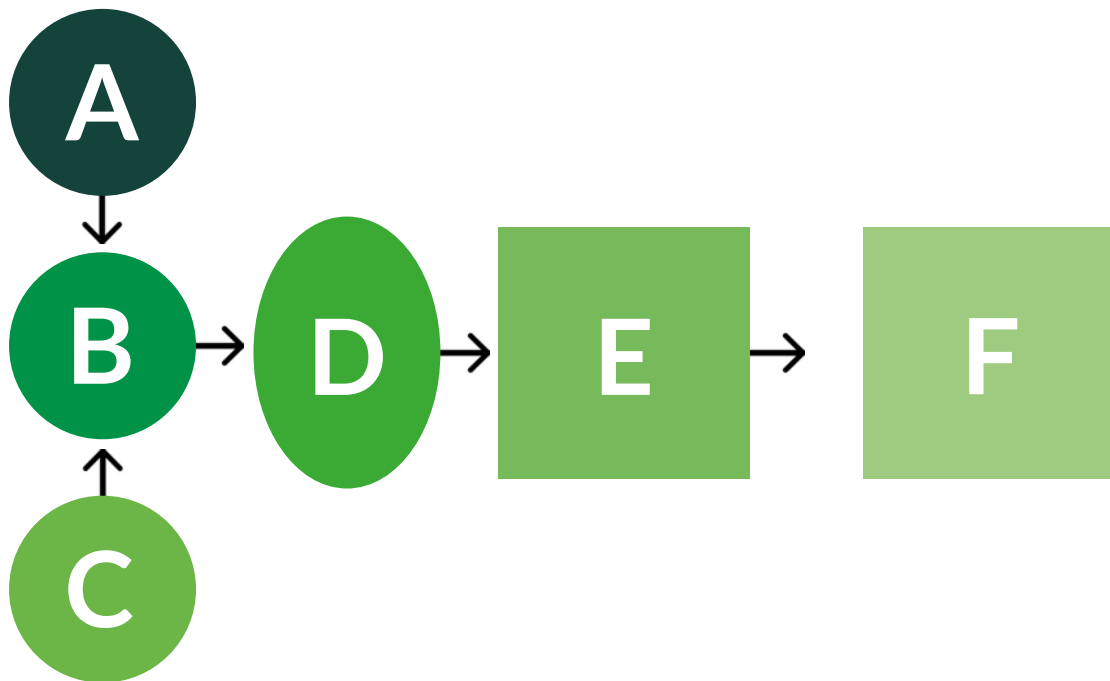
**LAYOUT:** The layout for the document can be created by using common desktop publishing or word-processing software. It must be designed to accommodate variable text and images.

**VDP APPLICATION:** Software that “merges” content and prepares the document for printing.

**OUTPUT DEVICES:** Printing devices that turn the digital files into hardcopy prints.

Most print companies in this day and age will be familiar with all these standard elements for processing a print job. Using variable data requires a different operational discipline and a different conversation with the customer to define the business rules and database that is to be used.

### Example of a simple variable data printing workflow



- A.** Database: For most variable data printing, a simple table or spreadsheet contains the copy, graphics, and photographs that will be assorted in the printed document. Such databases can be created in an application such as Microsoft Excel. 13
- B.** Rules: Specify what variable content to use and where to place them. They can be written in a programming language.
- C.** Content: Both static and variable content can be created with a variety of software: text, with word processing software, photographs, with graphic software, etc.
- D.** Layout: Created with common desktop publishing or word processing software. It must be designed to accommodate variable text and images.
- E.** Variable data printing application: Software merges content and prepares the document for printing.
- F.** Output devices: Printing devices convert the digital files into tangible prints.

There are now print servers built around variable data printing, which feature many functions specialized in producing one-off pieces with 100 percent variable data. RIPs are now able to operate fast enough to feed data to a print engine to produce variable data printing.

Many software companies are now offering packages that help make variable data printing easier for users. They have incorporated PPML to their packages as an open source solution to variable data printing.

The latest software covers a spectrum of applications, from desktop, lower volume, simple jobs that tend to be designed and printed quickly to complex,

automated mainframe-based jobs that require extensive setup and operate with hands-off precision. Desktop applications are sometimes used to set up testing models for higher volume jobs, and some desktop applications will also handle large volume jobs.

Today's variable data printing is miles ahead of the boring, unsophisticated and static direct mail of the past. It is much more appealing and powerful than it was just five years ago. Today, variable data printing processing can dynamically assemble four-color images, charts, text, and other objects to create attractive, highly personalised marketing collaterals.



# How can variable data printing transform your business?

The vast majority of variable data printing currently requires nothing more than a spreadsheet. Print providers can simplify working with databases by extracting only the information needed and putting it into a spreadsheet. Extracting the relevant information is called “data mining.” Print providers must identify the necessary information and who will extract it, and then specify how the information should be delivered. The database itself can come from the customer or be purchased from “list companies” that make databases based on a variety of different market segments as their business.

The information delivered to the print provider will usually take the form of a “comma-delimited” file, which is simply a text file where commas separate the information in fields. Spreadsheets and even word processors can open these files and automatically place the information into rows and columns. This information is then read by the variable data application.

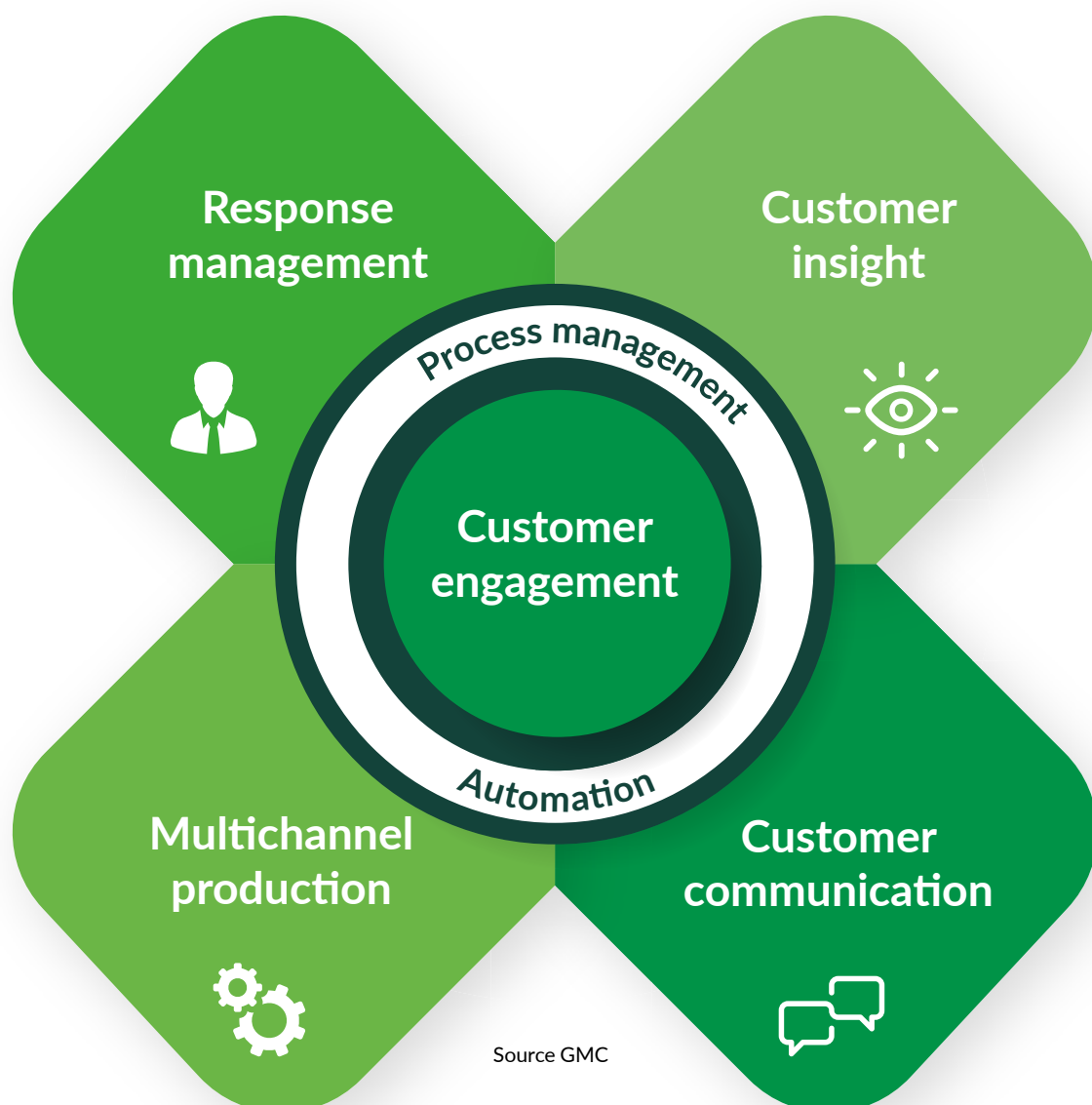
Printers have had to adapt to using desktop publishing tools and graphic design programs over the last 20 years, which have expanded

their services and capabilities.

A database should be considered as just another tool, a way to work with data to achieve a printed output. As part of their job printers regularly, adjust graphics, images and layouts, and advise customers on achieving the best print quality. In the new data era, they can also help clients combine databases, “clean” and manage databases by removing redundant or obsolete information, or extract relevant information. Printers who can offer a wider range of services will appear better prepared than their competition and put themselves in a stronger position to win more business.

It is important to understand what data currently exists and in which formats. It is also crucial to find out what the customer knows about the target market and what his objectives are; increased response rates, increased product sales. It is the printer’s role to help them leverage data to improve their marketing results. Above all start simple do not over complicate things, build a pilot campaign as a trial to gauge results and review the end user experience.

Developing data handling skills is the next learning curve, which will lead to new services and greater revenues for printers



The whole purpose of variable data printing is to drive customer engagement through process management and automation

This can be achieved through customer communications using a multi-channel platform to manage responses and analyse results, which provide customer insights that will drive the next campaign.

The printer's internal operational role is focused on

reviewing the existing customer data and determining if it can be incorporated into the printed product and crucially will it meet the customer's expectations. The philosophy for variable data printing should always be data first and design second. To achieve this you need to develop internal variable data printing skills or consider hiring in a dedicated member of staff to handle this work. Although you can start from a very basic level of understanding more complex jobs and campaigns require strong organizational skills, the ability to understand, manage, cleanse and manipulate data as well as data programming and scripting skills.

There are certain things that you have to keep in mind when getting into variable data printing and these elements will not be unfamiliar to printers who are used to selling added value digital print solutions.

- The sales conversation is different and the sales pipeline is significantly longer
- The production cycle is different when managing data and lead times can be longer
- Printed products and campaigns using variable data printing are results driven not price driven
- Continually review with customers, share ideas on how results can be improved
- Be patient, usually customers who are new to variable data printing take a while to understand the importance and value of harvesting and cleansing data.
- Challenge of additional care during Finishing/Bindery.
- Difficulty of integrating variable data printing digital print work streams and commercial offset print jobs.

When putting together a variable data product for a client there are two very distinct roles in the process; there is the sales and marketing conversation and the operational delivery of the product itself. The initial customer contact should be about providing a variable data printing solution and not just a product. It is essential that you work with (not for) your customers to help them understand and improve the variable data capabilities and results in the future. If you overcome these challenges and get it right, the customers perception of your business will change, you will be viewed more as an advisor or partner to their business and not just an interchangeable supplier of print based on price. Customer retention will increase and customer loyalty will be strengthened.

The largest single impact personalized applications has on a printers business is an increase in monthly recurring revenues

Statistics show that print providers who offer variable data printing services experience growth in general commercial print but also in specific market sectors where they operate because they become viewed as experts in providing solutions and not just merely printers.



# Why should you invest time and resources in data services?









Traditionally a printer's focus has been ink on paper but information from databases is the new added value component that drives variable data printing. The information from the variable data printing database is used to understand and tell you more about your audiences and over time you can refine the information to predict and determine what their behavior is likely to be based on the marketing materials you are sending out. The customer response might be to:

- Respond directly to the information or promotion
- Browse or shop
- Complete a purchase or transaction
- Switch to your product or service
- Be directed to further information or websites

Research studies suggest that typically customers do not know what the value of a traditional promotional piece is to their bottom line. They also have trouble in tracking and managing responses so they cannot accurately determine their value or decide how to follow up with the next marketing piece. This allows the use of variable data printing to justify RoI and the increased cost of digital printing against an unknown and unquantifiable value of traditional static marketing print. This means print providers can now prove the value on every single promotional piece that uses variable data printing or a versioned digital output. Having in depth information on a customer's customer, allows printers to become advisers on marketing and perform a service, which moves them up the value chain.

Key to the future value of variable data printing is having a multi-channel capability to create, optimize and deliver communications whether it's mobile, email, social media, or web

The latest software can directly import PDF's from most graphic packages to transform customer data into powerful charts and graphics. It is also possible to use personalized images based on the variable data to grab attention and have them automatically colour managed and converted for specific output channels. The future for variable data printing is design once and output anywhere by optimising templates for digital or paper channels:

- |   |              |   |         |
|---|--------------|---|---------|
|  | Email        |  | Tablets |
|  | Social media |  | SMS     |
|  | Web presence |  | Print   |
|  | Mobile       |  | Fax     |



## The Key Value of Tracking Responses

It needs to be understood that when you can measure the success of a marketing piece this changes the relationship with the customer. You are no longer being judged only on quality of print and delivery date; the dynamics have now changed and you are responsible for being a partner in the customer's marketing success. This can be challenging because each customer has different needs, products and a varying level of sophistication around print and marketing expertise.

For customers starting out with variable data printing it is always advisable to provide a proof of concept, so they can clearly see the benefits and understand how different amounts of variable content will influence the end user.

For an initial job, segment the print run by:

- Sending 10% of the job static.
- Sending 10% of the job with only variable text.
- Sending the other 80% fully variable, with changes to headings, colour, images, and text to personalize the document.

Track the responses and compare a 10% block to identify differences in response rates. It is then possible to calculate the increased cost of printing, preparation and data management to decide which option will deliver the best results.





## Return on Investment

ROI is becoming a crucial factor for most marketing decisions and therefore in order to print more jobs we need to justify why we need to print them. Variable data printing provides printers with tools to do this and return on investment can be calculated with a variety of equations as follows:

- The number of responses a print piece gets and their value to the client
- The overall cost of each response
- The return on the cost of the printing – static v VDP
- The percentage of revenue increase for the customer
- The cost for every percentage of response increase
- The percentage of new customers and their value (will they become regular and buy again?)
- The opportunity to profile responses and target the right customers directly in the future
- The opportunity to enhance customer loyalty by monitoring customer retention over a given period of time
- Measuring responses to personalized web sites (pURLs) for determining the value of second level responses.
- A Simple web address with counters that forward the person automatically to the standard web page or using different PO box numbers or discount coupons for different segmented groups.

It is important that the analysis of the results is reported in a clear and concise manner so the customer can understand exactly what the data is telling them about what happened as a result of the marketing initiative.

It is easy to misrepresent the figures and feedback from a marketing campaign; as a customer would you rather have a gain from 10% to 20% which equals a 100% increase or a gain from 1% to 4% which equals a 300% increase. Getting the headline figures right is vital to understanding the next steps in the marketing process, so transparency is always the best policy.

We know the industry is changing and going towards a more consultative print sales relationship with the customer.

Printers are becoming marketing companies by default and consequently they need to start thinking like a marketing company and not like a printer, variable data printing can help printers make this transition

The tools are widely available for printers to engage with variable data printing and there are many entry-level software packages available to merge text and images into variable data printing print files. Some are stand-alone software packages; however most of the advanced variable data printing software packages are actually plug-in modules for packages such as Adobe Creative Suite. Variable data printing print file creation can be invaluable for presorting mailing and generating bar codes for addresses. Marketing pieces can then be printed in the proper sequence for sorting by postal code.

The convergence of transactional and promotional printing is part of a larger trend towards highly personalized targeted marketing. Since the vehicle for communication already exists in the form of transactional printing, it makes sense to enhance it with personalized information for promotional purposes. Businesses with databases of information about their customers can use that knowledge with their existing distribution mechanisms. Since 45% of the cost of any promotional mailing is postage, adding a personalized sales offer to a monthly bill or statement improves the economics of the mailing.

Research into the effectiveness of personalizing communications has found significant benefits, chief of which is improvement to the bottom line of the printer and the customer. The overall revenues and profits associated with personalized marketing programs are over 31% greater than those associated with general marketing materials. Measurable improvements are also realized in the size and value of orders placed in response to personalized marketing communications. Customers also become more loyal through personalization, repeat orders as a measure of customer loyalty can often rise by over 40%.

Today's fast moving trend toward highly targeted marketing will only intensify with more intelligent databases and new creative applications of variable data printing.

Revenues and profits associated with personalized marketing are statistically over 30% higher than static content printed by offset

Printers who invest in the right resources, business intelligence and customer focus will thrive in a variable data printing led market of the future. Variable data printing in the future will not just be another tool for printers to exploit it will be a strategic priority for their business and their customers business.

## Benefits for Marketers and print buyers:

- Delivers a message to potential customers, which is more effective by enhancing and driving the relationship.
- Enables a push or pull strategy, push marketing like direct mail pushes information out to the customer and is driven by the vendor. Pull marketing, is driven by the customer who pulls selective information about products and services which are of interest.
- Creates more effective and innovative marketing through personalization, which increases response rates and can reduce overall marketing costs
- Fully justifiable return on investment for the procurement of printed products
- Variable data printing marketing can be used across multiple communication channels

## Benefits for printers and new business opportunities

Variable data printing depends on the use of databases, so for print providers this is an opportunity to expand their services and tap into some completely new revenue streams. If the necessity of following tasks is explained to the customer and the costs

associated with them, they can quickly become serious areas of added value business:

**DATABASE MERGING:** Combining information from several databases into one

**DATA MANAGEMENT AND CLEANSING:** Removing obsolete records and incorrect information; eliminate redundant entries

**DATA MINING:** Searching large volumes of data to extract information that is relevant to a specific purpose

**SPECIALIZED DESIGN SERVICES:** Creating document layouts and templates for using variable data to increase responses – designing for dollars instead of designing for awards

**RESOURCE MANAGEMENT:** Storing, tracking, updating, and otherwise managing a customer's digital assets, including files and databases

**CONSULTING:** Advising customers on creating and running a variable data marketing campaign

**RESPONSE MONITORING/REPORTING:** Tracking and analyzing feedback of marketing campaigns to help measure success for customers

**CROSS-MEDIA SERVICES:** Re-purposing output for different media, such as web sites, email, SMS or social media.

Variable data printing and the services related to it add value to the printed page and encourage customer loyalty. It would be much more difficult for the customer to establish a new relationship with a different service provider for each of the additional services listed above.

Print service providers gain the opportunity to move away from the pressure of commodity-based pricing to value-based pricing. They can change from pricing on the cost per page to pricing based on the value of the services provided in a complete job.

For print providers, the bottom-line benefit of variable data printing is creating new business opportunities that translate into increased revenues and jobs that deliver increased profits from a wider range of services



# Selling a variable data printing Solution

A printing business that has invested in a digital press faces the challenge of how to sell their new capability for variable data printing (VDP). Selling short-run printing is less of a problem, as it involves familiar products like brochures, leaflets and business cards that can now be priced competitively for short-runs. But variable data printing, web-to-print and cross-media are not such tangible products and require a rather different approach.

Unfortunately, there are stories of printers who tried selling variable data printing or web-to-print but could not find customers so they gave up. They got stuck because customers don't buy "variable data printing". A lot of them probably don't even know what it is. But there are opportunities for printers to attract profitable business when they understand that customers don't buy variable data printing but they do buy solutions to their business problems.

It is a different approach to the product-based sales focus of traditional printing. Mastering it will enable you to sell variable data printing-based services like direct mail, cross-media or web-to-print successfully and profitably. At its core is a way of pricing based on customer value rather cost of production. Solutions selling also involves finding the right prospects, demonstrating your credibility, understanding their business needs, designing your solution, effectively presenting it, closing the sale and building long-term partnerships.

## Finding the right prospects for your services

Variable data printing solutions can be more profitable than commodity print products but the sales cycle is often longer. You should not waste time on prospects that cannot or will not buy from you

Qualifying prospects is the first step; you need to match the kinds of variable data printing services you are offering to the kinds of customers that may have a need for them.

Are you clear about what services you intend to offer with your digital printing capability? Will it be used for direct mail? Are you including cross-media or other multi-channel marketing services like email marketing or web design? Will you offer a web-to-print solution for customised, on-demand marketing literature?

Businesses that already use a direct mail service to promote their products to mass consumer markets will probably be very price conscious. Others may not do any direct mail, believing that purely online digital marketing is sufficient. But they could be intrigued by the potential benefit of adding print to their marketing mix. A B2B operation like a wholesale distributor or a franchise headquarters may not do direct marketing but could be under pressure to provide resellers or branches with point-of-sale marketing literature. Each of these businesses have very different kinds of needs.

For each variable data printing service you offer you should define the vertical markets you want to focus on and research them thoroughly. What are the key trends and issues in that industry? What are their customers like? Is the market growing or has it matured? Find out from their trade associations, online publications, influential bloggers and your existing customers. Begin to understand their business issues and envisage how your variable data printing service could help them.

Target specific companies in these sectors where you think opportunities could exist. Is the company new? Is it growing fast and hungry for new markets? Is it mature and perhaps needing to re-engage lapsed customers? Is it so large that you might never get a sales meeting, or so small that they would never spend enough to make it worth the effort?

You must be pro-active and also discriminating. Focus your effort on prospects where there could be a good fit between the needs they may have and the solutions that you could offer.

## Demonstrating credibility

Researching your target businesses and understanding the vertical market they operate in is essential for selling solutions

Next, you need to demonstrate your expertise to those decision-makers who may see the value in a solution you can provide.

Purchasing print is not a high-level strategic activity for most businesses unless it is a significant part of their product like publishing for example. If you just pitch to print buyers, the agenda will be constrained by their personal performance objectives, like obtaining the best price and efficient service. You should try to set the agenda around issues that resonate with senior decision makers: faster sales cycles, improved time to market, increased productivity, waste reduction or profitable sales growth. This means seeking out the owners or board-level directors of small and medium-size organisations and senior executives in large businesses.



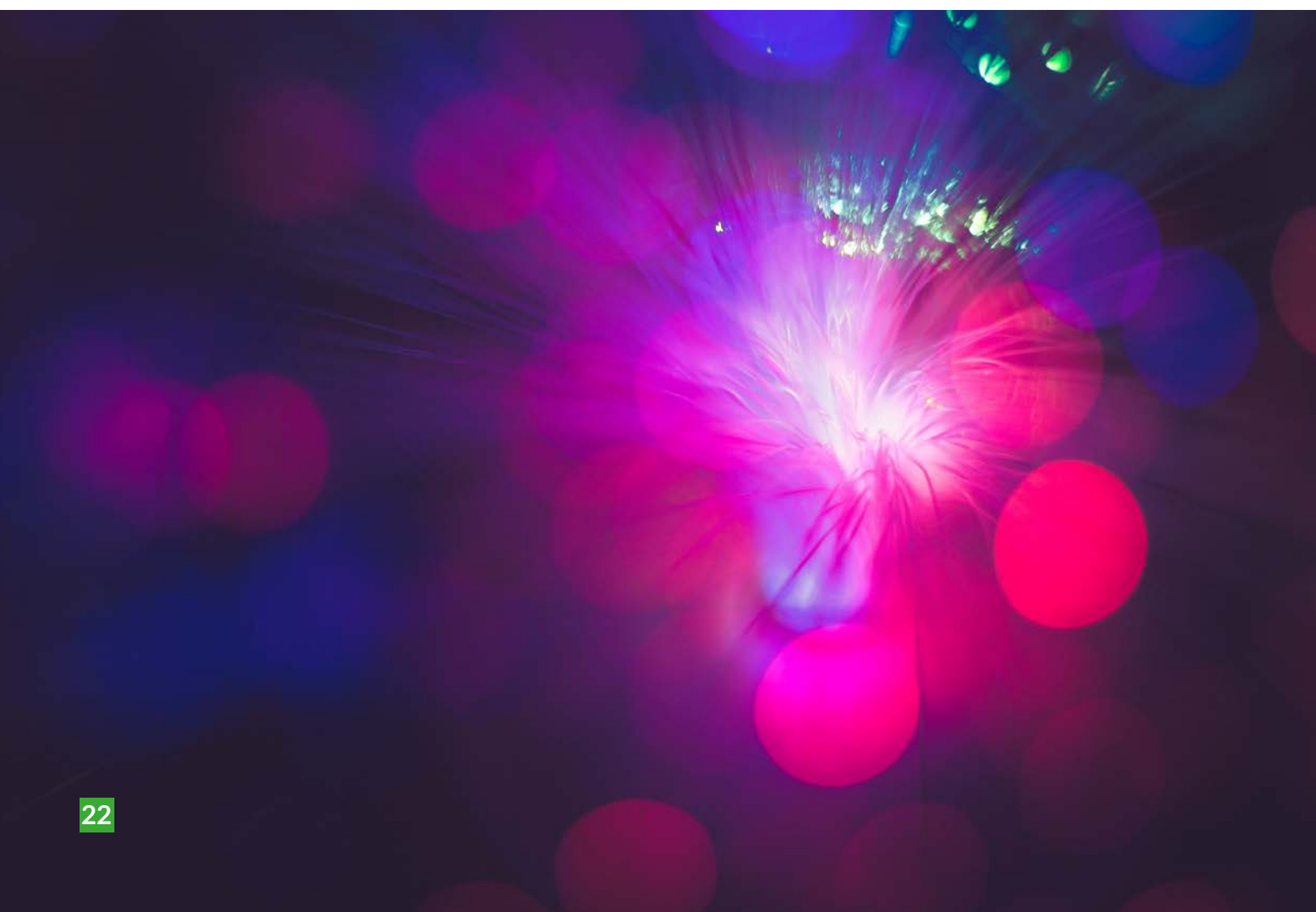
Reaching these people can be hard but there are a number of techniques that can help:

- Get a referral. It may be easier to initially approach someone that they may know, or know of, perhaps in a trade or professional association.
- Go where they go. Visit industry events such as exhibitions and conferences where your target audience gathers. The speakers at these events are often well-connected industry leaders. Introduce yourself to them and follow up.
- Use Social Media. Using LinkedIn you can identify senior people in target organisations, and connect to them via contacts in your network. They may be on Twitter or will at least listen to their company Twitter feed. Post interesting tweets including their Twitter name or relevant hashtags. Get noticed –personally, professionally and for your business.
- Write a letter. As nearly all person-to-person business communications are either by email or phone, and old fashioned letter may just get through

and get read because it's unusual. Keep it short, use an engaging subject line and bullet points for key ideas and suggest a time when you will call. If you do get to speak to your prospect don't waste time on the letter, just assume they have seen it.

Do not expect immediately to make an appointment to meet. You need to decide if the prospect is worth pursuing further and they need to assess your credibility. Follow up with some relevant information like a case study or a sales leaflet focused on their industry sector.

When you have the opportunity to meet, aim to give a very short presentation that references their industry trends and challenges, positions your business as a credible solutions provider and provides some relevant examples of solutions done for other organisations in their industry sector. Stimulate a discussion about their situation, business objectives and challenges. You want to assure them that you are a credible solutions provider, get them interested in the possibilities of what you can do for them, and gain agreement to do a more in-depth analysis so you can propose a solution that will have tangible business benefits.



# Practical Steps to develop a data services capability

Variable data printing can be as simple or as complex as you want to make it, but most customers are looking for better marketing returns and generally that means higher levels of personalization and better Rol

As we have already discussed not many print companies are offering sophisticated variable data printing so there is time to develop your capability and reap the rewards. It is essential that the variable data printing journey is planned and executed in a systematic way.

## Understanding Business Needs

Before you can design a solution you need to understand the problem. Your prospective client may only see it in general terms: need to sell more or cut costs or find new customers. You want to understand what's in the way, how to improve what they already do, what objections there might be and what success looks like.

A needs analysis is about asking the right questions, the right way, to gain the information you need to design a solution.

Ask open-ended questions about goals, challenges and needs

Ask specific questions to get factual answers

Ask questions of all relevant people in the organisation. (A junior member of staff might see a key operational obstacle that needs to be overcome).

The key steps are:

- Make a gap analysis of the current situation compared with where they want it to be.
- Identify priorities. What solution could achieve the best result? What can realistically be achieved in a short time? How measurable would the outcomes be?
- Look for improvements. The client may already be aware of possibilities but is unable to implement them.
- Find the pain points. What obstacles are in the way?
- Develop a solution based on evidence, data, an all round perspective, sensitivity to human factors and realistic, measurable outcomes.

## Designing a Solution

Start with the end in mind. What will be the tangible value for your prospect if they adopt your solution? The data you collected from the needs analysis enables you to answer this. You should know enough about their business and what your solutions are capable of to be able to design a plausible and realistic solution for their specific circumstances that will be worth the cost.

If you quantify the value you are more likely to make a sale, will be less vulnerable over price and will make more profit for your business

Make sure your solution is lean and fits. Do enough to achieve a worthwhile goal but exclude anything that will have little effect.

It will of course vary depending upon the business needs you are addressing. A personalised, on-demand customer welcome pack might be proposed to nurture new customers and improve customer satisfaction. A cross-media marketing campaign might be the answer to re-engaging with lapsed customers. A web-to-print marketing portal could help cut waste and reduce time to market. You should be able to quantify the outcomes in terms like reducing customer attrition, increasing satisfaction, sales gained from lapsed customers or reducing waste.

Your solution should be supported by explanations of why the techniques you propose work and examples of how they have achieved results elsewhere. Naturally, it needs to be robust, be seen as credible, deal with their specific issues, be clearly understandable and not overly complex and be something you are completely confident about. But remember, they are not buying VDP, cross-media or web-to-print. They are buying the outcomes. So until you have actually closed the sale you should not overwhelm them with excessive detail or tie up your design team making plans that may come to nothing.

## Presenting the Solution

You will increase the chance of closing the sale with a professional, carefully prepared presentation about your solution. Bear these points in mind:

- Recommend that all the people who could influence the decision are invited. You will have identified who they are in your needs analysis.
- Anticipate objections. You may think that your solution is brilliant. But it could be seen as a threat to some, or is weak, old-fashioned or “won’t work” to others. Emotional barriers get raised whenever change is on the agenda.
- Put forward your understanding of their business situation, the pain points and the challenges

involved, their relevant goals, and what you think can be realistically achieved by a solution that you could offer.

- Prove your points using the hard data you have gathered.
- Support your case with examples of how this kind of solution has worked elsewhere. They do not necessarily have to be your own case studies, but you will need to show similar projects that you have done.
- Outline your solution with enough detail to interest any operational people present but not too much that it is boring for others. If creative is involved, show examples but not what you will actually do. You don’t want to lose a sale just because somebody didn’t “like” your idea.
- Include a timescale for build, execution, measurement and analysis of results.
- Give a single overall price for your solution. If they think it is too expensive, suggest removing elements to reduce the price, but warn of the effect that would have on the desired outcomes.

With the introduction of GDPR and other stringent data regulations it is vital that you prepare and include data security alignment into any customer proposals or solutions

Think about the following important elements of database security.

### DATA SECURITY

Although large businesses are often the target of data breaches by hackers, small businesses also have to be concerned about database security. Small businesses also have a lot more to lose because they generally have fewer infrastructures in place so the risk of data loss is much higher. Although small businesses generally do not deploy the same security measures that large businesses do, there are several steps a small business owner can do to beef up database security.



## ENABLE SECURITY CONTROLS

Unlike older databases, the newer databases require passwords to gain full access to the stored data. Often when the databases are shipped, none of the security features are enabled. Make sure you check the security controls and enable all of the features before allowing anyone access to the database.

## CHECK THE PATCH LEVEL

Check the patch level configuration in the database to determine if there are any vulnerabilities in the default settings. Also, perform a full assessment of the database to fix any existing vulnerabilities in the system before placing any data into the database.

## EXCLUDE COPYING OF THE DATABASE

Although you may have one chief IT administrator that is the primary gatekeeper to the database, there is no control over the data once the database has been copied. For this reason you should disallow database copying because it represents an internal threat to database security.

## RESTRICT ACCESS

Restrict access to the database by specifically designating who is allowed administrator privileges. For a small business it is a good idea to delegate this responsibility to one IT administrator and then place certain restrictions on other users. In addition to restricting access, make sure the backups are stored in an encrypted format and restrict access to XML files. The files in XML format are files from a discontinued database.

## EXISTING DATABASES

There are database discovery tools, which identify existing databases that contain confidential information. The tools also monitor existing databases to ensure the information is stored in encrypted format. In addition to the new database, make sure you monitor all of the existing databases to ensure that information is encrypted, there are no vulnerabilities, and that there are no duplicates.

## SHARED DATA

Sharing data becomes a concern when businesses have to train new employees and developers have to test new database applications. In this instance, the IT administrator can perform what is called subsetting which provides a separate type of restricted access with fake information substituted for the sensitive information. Subsetting a database basically allows developers and new employees to use the database for testing and training without exposing confidential or sensitive information. Keep in mind that securing a database also requires a change in thinking on the part of database administrator as well as the workers who have access privileges or restrictions to the database. A change in attitude ensures that everyone is on the same page with what is expected when it comes to keeping data secure. Company risks and security implementations should be reviewed frequently to support changes such as the growth of your business and other circumstances.

Your goal is to get agreement to receiving a statement of work or contract detailing exactly what your solution involves, the deliverables, the timescale, any client inputs and your business terms. Have the document ready to hand over at the end of the meeting unless you need to make any change to the scope, design or price.



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