



# Print Tips

SHREVE PRINTING • 390 East Wood Street, Shreve, OH 44676 • 330-567-2341 • 1-800-821-0456

## Hitting the Bullseye: Targeted Marketing

**A**ny business that markets, advertises, sells or engages in public relations is probably familiar with the six phases of a marketing project:

- *Phase I:* Enthusiasm
- *Phase II:* Disillusionment
- *Phase III:* Panic
- *Phase IV:* Search for the guilty
- *Phase V:* Punishment of the innocent
- *Phase VI:* Praise and honors for the non participants

If you would like to skip these phases and go straight to a successful outcome, read on. In this issue of *Printips*, we'll show you how *target marketing* can help tell buyers who you are, impress them so they'll want to buy from you instead of someone else, and inform them of what you do and what you sell.

### Marketing, Selling and Advertising

Simply defined, marketing is finding out what your customers want and then providing it; selling is getting those customers to buy from you instead of someone else; and advertising is the educational process that makes it all happen. Good advertising *informs* your customers and prospects about your new product or service offering, *builds awareness* of an opportunity, *creates an image* and *positions* your business and its products or services, and *generates interest* in buying.

Decades ago, when there were fewer products and fewer brands, mass marketing made sense. Often one company owned an entire category. When the only coffee sold in supermarkets was ground and in one-pound cans, marketing to all coffee drinkers as an undifferentiated group was easy. The choice was between brands, each making taste claims.

Think how this has changed! Not only has the number of companies selling coffee increased, there are now more brands offered by each company. And at the same time, coffee products have proliferated – regular, decaffeinated, blends, flavored, ground, whole bean, instant, cans, packages, pouches, even individual bags. Clearly mass marketing is not the most effective way to advertise all these choices.

### Targeted Marketing

Unlike mass marketing, target marketing takes into account the differences between various segments of an audience and addresses that segment's specific needs or desires. Different products and services for different niches. Ground coffee in large cans for people who make a lot of coffee in a hurry. Decaffeinated coffee beans in airtight packages for health-conscious coffee drinkers. Flavored instant coffee in small tins for – well, you get the idea.

Targeted marketing can be as successful as

mass marketing (or sometimes even more successful, depending on the product or service), but you need to know a lot about your customers. Targeted marketing is based upon knowing who, exactly, you want to reach. Let's say you are a small business that sells photographic products and services. An outsider might think that professional photographers would be the best audience to target. But the fact is, parents with young children are the largest buyers of photographic materials and services. They buy more film, cameras, processing services and accessories than any other group. The question is, how do you reach these buyers?

### Mass vs. Targeted Marketing

Whether you are using mass or targeted marketing as your strategy, there are three



factors that influence success: the audience, the offer and the creative. Regardless of the advertising media selected (television, radio, print or direct mail), *whom* you are talking to, *what* you are offering, and *how* you present your offer are the factors that account for your results.

But look at the relative contribution of each factor, depending on whether you are using mass or targeted marketing:

#### Relative Contribution of Influencing Factors

Factor	Mass Marketing	Target Marketing
Audience	20%	60%
Offer	40%	20%
Creative	40%	20%

The audience for mass marketing exerts only a 20% influence because it is a shotgun approach. At any given time the audience, though large, includes only a few people who are actually in the market place for the product or service. This advertising is a game of numbers – hoping to broadcast a general message to so many people that it will hit the right people at the right time.

For targeted marketing, the audience is the overwhelming influence – greater than the combination of the other two factors. A splendid offer beautifully packaged but sent to the wrong audience will not produce a successful outcome for targeted marketing.

### Locating the Target Audience

There is a hierarchy of all potential buyers of your product or service.



Beginning at the bottom of the pyramid, *suspects* are those segments of the general audience that appear likely to need or want your product or service. Remember that

not everyone is a suspect – you need to know for whom in particular your product or service works best.

Next are *prospects* – suspects that have identified themselves to you in some way. Perhaps they have responded to a direct mail offer, or called asking for more information or a quotation. Prospects have not yet bought anything from you.

*Customers* are new or infrequent buyers. New customers may have only made a small initial purchase, waiting to see how you perform. Infrequent buyers may be very loyal but have modest needs for your product or service.

*Clients* are your best customers, the ones responsible for most of your sales. Many businesses find the 80/20 rule applicable to their clients – that 80% of their total sales come from 20% of their customers. That 20% are the clients.

Finally, there are *advocates*. These are the 20% of the 20% — the clients who are committed to you, recommend you to others, give you testimonials, are your success stories and probably provide 40% of your total sales.

Now, back to the question – who is the best target audience for your products and services? The good news is – *your current customers, clients and advocates*. They already know you. You have earned their confidence and trust. They like your products and service. All the elements for doing business – communication, customer service, ordering, fulfilling and paying – are all in place and working. And you probably know or can find out a lot about them without much trouble.

### Profiling Your Audience

Remember that selecting the right audience is the single most important influence on the success of your direct mail campaign. It is the audience that defines the offer and drives development of the creative. And in targeted marketing, your audience is *individual* buyers, purchase initiators and purchase influencers.

Profiling your audience will help you be more effective in selecting the right offer and creative; it will also help you locate the best prospects and suspects to go after from among the entire pool. To do this, begin with your current customer list and identify their common characteristics. Is there a preponderance of titles (vice president, purchasing manager, director of advertising)? Is there a common number of employees? Is there a common location (defined by zip code)? Is there a large number in a single SIC code? Is there a size indicated by annual sales?

If you do not have this information, there are several ways to get it. One is to send a written survey to your customers. If this seems daunting, start with your advocates and clients. Since they account for the majority of your sales, it is likely that their profiles will be enough to get started. Secondly, telemarket your customers (or just your advocates and clients). Although this may seem time consuming and expensive, it actually provides a wonderful opportunity for your customer service staff to proactively contact your best customers. Finally, your customer list can be sent to a mailing list processor who can augment your list with the desired demographic information.

If you do not have a customer list, begin to compile one. **A customer list can be compiled from sales records, call reports, correspondence, purchase orders, requests for information, trade show leads and visitor logs.**

### Reaching Your Target Audience

The most effective way to reach your target audience to use direct response marketing. Direct response marketing is the opposite of mass marketing. It is aimed at a specific audience, a specific segment of that audience, and makes an offer that is specific to that segment. Direct response marketing mail goes directly to the people you want to reach. If it's done well, there will be no one on your list who isn't interested in your offer. In many cases, you'll be talking directly to people who are not only *likely* to buy your products, they have in fact already purchased before.

**Direct response marketing has four primary functions:**

- To change suspects to prospects and prospects to customers
- To retain customers
- To change customers to clients and clients to advocates
- To cross-sell your products and services to your customers, clients and advocates

Direct mail is one method of direct response marketing. So are television, radio and other print media. For small businesses, direct mail provides many advantages over the other forms of direct response marketing. It is often more affordable, and can be tailored to fit the available budget. **It can deliver coupons, sale flyers, catalogs and samples to the exact people you want to attract.** And it can introduce new products and services to cross-sell.

## **Direct Mail Techniques for Targeted Marketing**

The more you know about your customers, the more personalized you can be in addressing them. Powerful programs are now available on the desktop that can be used to customize your mailing for specific recipients. Personalization and variable data printing, once reserved for companies with very large marketing budgets, are now within the reach of even small companies.

*Personalization* is a technique that creates a document that is unique to an individual. Simple personalization (sometimes called mail merge) adds an inside address and salutation to a marketing letter. More sophisticated personalization includes individualized data elements throughout the document. Successful personalization depends on the completeness and accuracy of the mailing list – each element of the address in the same field in the record, and

all fields containing accurate and up-to-date information.

*Versioning* is creating more than one version of a document, with each version appealing to a different audience. For example, an insurance company might create a brochure in a version that appeals to newlyweds; a version for families with young children; a version for active seniors; and a version for singles. Versioning often can be accomplished economically by designing a “shell” of information common to all audiences, then imprinting the variable data for each audience on the preprinted shell. Ask us about this option; we will be happy to provide ideas and estimates. Call us at 330-567-2341 to let us know you are interested.



**Q.** *I've heard that a mailing list used for targeted marketing has to be complete and accurate. This doesn't sound any different than a regular mailing list. Can you clarify?*

**A.** The success of a direct response marketing program that uses personalization or variable data printing is highly dependent on the design and quality of the mailing list – or more properly, the database. For most marketing-related variable data printing projects, additional information besides name and address are incorporated into the document. Therefore, the database must be designed to accommodate these additional fields.

The usual name fields (first and last) may need to be expanded to include an informal or nick name (“Bill” for William). A title field (Mr., Ms., Mrs., Dr., etc.) may be needed for a salutation. Additional transaction data related to the purpose of the communication (birthday, date of last purchase, merchandise purchased) may be needed. Care must be taken to size data fields correctly so that information will not be truncated; to enter information accurately and correctly spelled; to apply data entry standards (such as when to use abbreviations); and to be consistent by entering data in each field that will print in the document.

*questions and answers*

# TRICKS & tips

## Consider Using Clip Art In Your Next Mail Piece

When designing a piece to use for a direct mail campaign, you may want to include illustrations or photographs for added interest. While you could ask us to find an artist to make an original drawing, a faster and more economical method is to rely on clip art.

Clip art is the industry term for stock collections of illustrations, line art, photographs, borders and dingbats produced and offered for sale without having to pay royalties on each individual image. In the past, clip art

was produced as large books of high-quality printed graphics. To use the images, you "clipped" them out of the book and literally "pasted" them (using graphics wax) to the layout sheet. Today, clip art is provided electronically on CD.

We own several collections of clip art and make individual images available for a small fee to our customers. So be sure to ask us about clip art when you are planning your next direct mail or other marketing piece.

## The Ideal Mailing List

Looking for the ideal mailing list? Sometimes the best lists are not obvious. For example, if you own a hardware store, your best prospects may be people who subscribe to "how-to" or "woodworking" magazines. One way to find out whether such a list exists and what it costs to rent use of it is to visit Standard Rate and Data Service (SRDS). SRDS (<http://www.srds.com>) provides a comprehensive listing of private mail lists as well as information about mail list brokers and compilers. It also publishes a number of industry references that describe the demographics of the people in various markets.

Another resource to research is magazine cancellations. These lists are far less expensive than current subscriber lists and they can be just as effective as current subscribers since most people who cancel a magazine subscription haven't lost interest in the topic.

### CHUCKLES

#### Signs That You've Had Enough of the New Millenium

- 1) You try to enter your password on the microwave.
- 2) You haven't played solitaire with a real deck of cards in years.
- 4) You have a list of 15 phone numbers to reach your family of three.
- 5) You email your son in his room to tell him that dinner is ready, and he emails you back, "What's for dinner?"
- 6) Your daughter sells Girl Scout Cookies via her web site.
- 7) You chat several times a day with a stranger from South Africa, but you haven't spoken to your next door neighbor yet this year.
- 8) You didn't give your wife a Valentine's card this year, but you posted one for your email buddies via a Web page.
- 9) Your daughter just bought CDs of all the worst records your college roommate used to play.
- 10) You buy a computer and a week later it is out of date. And now sells for half the price you paid.

## PRINT. IT WORKS.

There's nothing experimental about print. It just works.

Whether direct mail, branding materials, investor relations or your corporate identity, a well-printed piece makes you look your best. Give them something tangible to keep your message top-of-mind.

Need help? Call one of our Sales Representatives. That's what we're here for.



ROBIN SMUCKER  
Mobile 330-466-3515



CARY BOWMAN  
Mobile 330-466-3516



390 East Wood Street  
P.O. Box 605  
Shreve, OH 44676-0605

Phone 330-567-2341  
Fax 330-567-3616  
Toll Free 1-800-821-0456  
E-mail: [sales@shreveprinting.com](mailto:sales@shreveprinting.com)