

EMPLOYING THE POWER OF PERSONALIZATION

LEVEL 1 PERSONALIZATION

Have you ever received a letter addressed, to whom it may concern? Or perhaps Dear Customer, or Dear Valued Member? You may ask yourself, who would ever send a document with salutations like that? It happens and it screams anonymous, unimportant. Would you spend your valuable time reading a letter or email that addressed you that way? Let alone respond to it? Probably not.

So, the first level of personalization is to identify the customer by name and address. It is clear that the name draws the reader's attention as well as suggests a desire to do further business with the individual. In many cases this level is the best that can be done as additional customer specific information may not be available. Even with this base level of personalization the positive impact increases dramatically.

In 2004 a study was commissioned by InfoTrends/CAP Ventures entitled *The Impact of Color in Graphic Design*. While it shows an increase in response rate due to adding color to mailers, the biggest difference occurred when the marketing piece was highly personalized. When you consider the average direct mail campaign only has a 2-4% response rate, then the increase to 6.5% is truly significant.

INFO TRENDS/CAP VENTURES DIRECT MAIL STUDY

Color Scheme	Personalized	Response Rate
Black & White	NO	1.0%
Black & White	YES	1.5%
Full Color	NO	1.5%
Full Color	Yes (Name Only)	2.0%
Full Color	Yes (Deep Personalization)	6.5%

LEVEL 2 PERSONALIZATION

The second level adds other information about the customer to increase the personal value of the message. The focus is on content that is uniquely relevant to the individual customer. Based on gender, images can be substituted that are more appropriate. Based on transaction history we might have on the customer we can provide additional content of special interest to the customer.

LEVEL 3 PERSONALIZATION

The third level focuses on interaction. At this level, we are using the data we have about each customer to directly encourage a response—we make special offers; deliver premiums; or invite the customer to an event, such as a new

product launch or owner club. The marketing thrust at this level is action. We aim to bring the customer back to the retailer to buy or experience a new product, generate a new order or build brand enthusiasm through participation in events.

PERSONALIZATION, IT'S NOT ONE SIZE FITS ALL

There are many different ways you can personalize your marketing. How you choose to personalize depends on both the technology you have for personalizing your materials and the data you have regarding your recipients. Some common ways to personalize outbound marketing materials include:

- Salutation
- Photos
- Purchasing preferences
- Past history
- Gender
- Age
- Geographic proximity

You can even combine different personalization techniques, for instance changing the text in a paragraph and swapping in a photo based on gender. But what is the right way to personalize a solicitation. The answer is, it depends. Assuming no limitations in technology and data, how you personalize depends on your audience, your own brand, the medium you use and the product or service you are promoting. You can overdo it. For example, imagine you are promoting a new checking service for a bank and you're doing a postcard mailing. You decide to include the recipient's name in the salutation along with information about the other banking services they presently use with your client. The person receiving your postcard may find it invasive to have what may be rightly considered private information printed on an open medium like a postcard and you'd likely be on the receiving end of complaints if you used personalization in this way. Similarly, mediums like email are widely perceived to be insecure so including personal information, beyond a name, in an email can be perilous.

TOO MUCH OF A GOOD THING?

A good way to test your first use of personalization is to imagine walking up to someone on the street, engaging them in conversation. If you're using email or postcards, you don't want to include any information you would not expect to share in conversation in the first 15 – 20 seconds. The goal of using personalization is to get the recipient engaged just enough to take the next step in your process. Again, using a personal encounter is illustrative. If you are walking down the street and you shout out 'Hey You' in hopes that Janet, the person a few steps ahead of you may or may not get Janet's attention. Using Janet's name which you read on the tag on her backpack, will produce a much greater chance that she'll respond – even if she doesn't (yet) know you. When she does respond and is curious why you used her name, you have a few

seconds to convince her that you're intentions are legitimate. If she concludes they are, you'll get a little more attention. If you play your cards right following a process of providing just enough personalization and value at each step in the process, you might end up sitting together at the café on the corner laughing in conversation. The point is that there is a process involved and at each step using a little personalized information can help get you to the next step where your prospect will provide a little more information and be receptive to more and more in depth information about your value proposition. Crossing the line with too much too soon can raise walls that no amount of repeat solicitation will get past.

YOU MUST BE MISTAKEN

Ever had someone walk up to you and try and start a conversation using a name that isn't yours? Your immediate reaction is "you must be mistaken". As soon as a prospect who receives direct marketing materials concludes you must be mistaken, you're finished. Making sure personalization matches the recipient is critical. There is no recovery in direct marketing. Consistency and technology are the best methods to ensure that John's photo is used in the letter asking John for a donation.

SUMMARY

One of the golden rules of marketing is personalization. This concept is simple – it shows that you care and know your audience. Variable Data Printing (VDP) coupled with storefront technology enables your salesforce, customers, or franchisees to customize the marketing pieces you create to be most impactful for them.

Want more information on how to bring the power of personalization to your company or service? Contact us at:

www.W2Psoftware.com

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