

Opportunity Knocks

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Given the cacophonous commiserating over the disappearing act being performed by printers across the country, the opportunities facing our industry might not always seem obvious. Misery loves company, and while it might be tempting to join this group lamenting the changes to our industry, such behavior only leads to an expedited retirement party.

The world is flat, marketing 2.0 is making way to marketing 3.0, and the Internet, the iPad, and other technologies are redefining the role of print in this modern world. Change is not constant; it accelerates and decelerates, but it always exerts some type of force on our lives. Recently, technology has brought about a tectonic shift in the printing industry, and while this may be unsettling for some, "change" is another word for opportunity, entrepreneurship, and invention.

Two years of fallout following the financial crisis have passed. In that time a depressing atmosphere dominated by downsizing, acquisitions, and a lot of lessons on cost-cutting have dominated. At the same time, Specialty Print Communications (SPC), a third-generation print and direct marketing specialist, has been able to sustain consecutive years of better than 20% compounded annual growth. It was not easy, but there is a fairly simple formula that has driven such success.

Defining Your Value Proposition

At a strategic level, only a certain number of variables are relevant to this equation. SPC begins this exercise by defining its current value proposition to clients. This has shifted dramatically over time. SPC, like many industry players, has realized the need to change its business and work proactively with clients to provide services and solutions which may have once been out of its depth.

Today, SPC offers specific expertise executing fully customized, data-driven marketing communications across multiple media, thereby providing tailored solutions that save clients both time and money. This value did not appear out of nowhere; it is a product of seven years of striving and learning to satisfy clients' needs and ardently helping them build their businesses.

Years of conference attendance, seminars, and close attention to customers' businesses have gleaned valuable expertise and knowledge that, when applied, is very differentiating. Successful direct mailers now engage on the front end of many marketing discussions, pitching strategy, creative, copywriting, and the whole ball of wax. Time and staffing constraints mean customers want more from a smaller set of vendor partners. Following a customer's lead can be a major opportunity when partnered with continued learning.

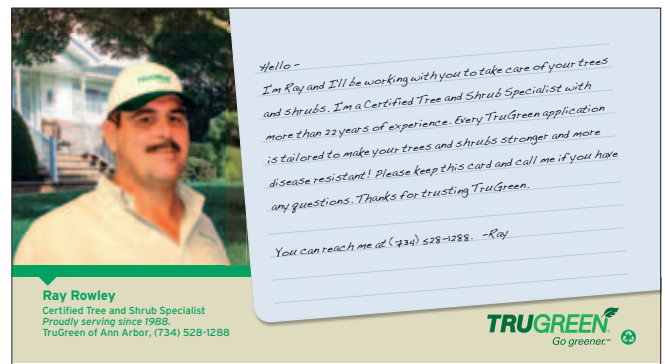


Figure 1. TruGreen utilized profile-based marketing principles to make a national company seem more local and personable.

As certain segments of print shrink, it becomes important to take a broad approach to this issue. For example, when SEC filings were allowed to go electronic, many financial printers realized the extent of their expertise went beyond print execution. They were experts in the process of financial document compliance, which helped printers gain more than 40% of the electronic execution. In the old world of printing, this work would have required millions of dollars of equipment in order to execute against. In the new world, that existing expertise enables the execution without any capital investment. That's an opportunity.

Define Your Target Audience

Once the value proposition has been defined, it is necessary to precisely define the target audience. More specifically, whose business will this help? Whose life can be made better through the specific expertise or benefit? Standard vertical market and product explanations exist to answer this question, but the real innovation is discovered when the question is examined in an unusual way.

Technology is changing the rules of marketing so quickly that planning a year in advance is obsolete, and first-to-market can often beat best-to-market. At SPC, a data programmer who attended a video game conference merged his passion for gaming with SPC's proprietary Web-to-print platform, Monogram™, to generate a new retail facing product. Gamers who spent dozens of hours developing their own unique characters could upload the data and SPC would output and fulfill their customized character poster.

In another case TruGreen was experiencing a retention issue, and it was losing share to smaller lawn care companies who claimed to have more local knowledge than the national brand. SPC was able to engage at the CMO level and generated a route manager program for TruGreen utilizing profile-based marketing principles to make a national company seem more local and personable (See Figure 1). The printed product was a leave-behind card that featured each route manager with details of his specific experience and expertise. TruGreen customers could now put a name, face, and local expertise to the company. A new product was generated for a custom situation involving website development, creative development, call center management, variable print execution, and fulfillment. That is the opportunity afforded by lateral thinking.

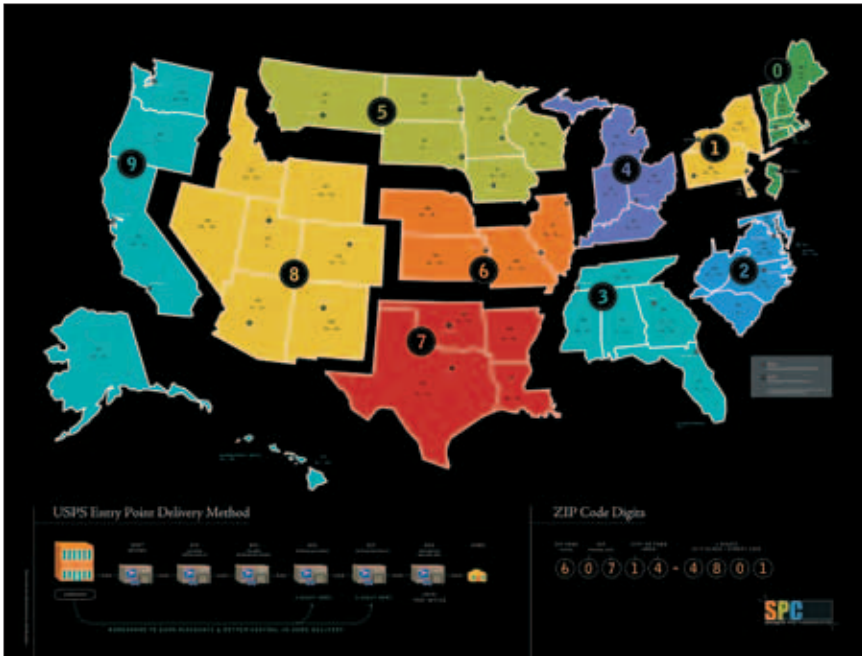


Figure 2. SPC published a map demonstrating the entire United States, color coded for postal zones, with the Network Distribution Centers (NDCs) and state ZIP code ranges clearly marked.

Once value proposition and the target markets are defined, the sales and marketing efforts must be orchestrated and relevant. Selling now involves exhaustive research to understand the target audience—both the company and the individual. From a corporate perspective, the culture, existing initiatives, and market position must be understood and incorporated into any presentation.

As for the individual, every marketer has their own style of management and individual objectives in addition to their corporate objectives. High-level marketers often write blogs and publish books that unlock a smorgasbord of information. At minimum, almost everyone has a LinkedIn profile where information can be gleaned. Technology has indeed flattened the playing field, and for those who leverage the information available, it presents an amazing array of opportunities.

Sharing knowledge and expertise to build trust and rapport is important in establishing credibility and transparency. Through a third-party customer survey, SPC identified its customers as time-starved and hungry for information and new ideas. In response, SPC recently released a twelve-page guide to postal logistics, a complicated issue frequently obfuscated in the marketplace for financial gain. The brochure explains the building blocks of the USPS system and tactics that minimize cost and optimize delivery. SPC also published a map demonstrating the entire United States, color coded for postal zones, with the Network Distribution Centers (NDCs) and state ZIP code ranges clearly marked. At the bottom, an explanation of the USPS system was drawn, and the meaning of the numbers of the ZIP code was demonstrated, helping to educate both internally and externally. Sharing insight proactively positions the company in a helpful and positive light. It is good for business and demonstrates real value and expertise (See Figure 2).

Loyalty Marketing

Loyalty marketing has helped countless clients communicate smartly and effectively with their customer base. When one such customer was having delivery troubles with another vendor, it solicited SPC's help in producing loyalty cards. With little experience printing and laminating synthetics, SPC leveraged vendor partners to learn the details necessary to execute successfully. With the successful delivery of these cards, SPC has acquired millions of incremental sales dollars and successfully launched itself into an entirely new market. That's opportunity through success and collaboration with a set of entrepreneurial vendor partners.

There's an opportunity through leveraging open innovation programs with technology partners as well. New digital and hybrid technologies are dramatically changing the possibilities of printed communications. The power of full-color variable imaging, when paired with the economies of scale and functional variety of web offset printing and in-line finishing, enable businesses to leverage data on a large scale, speaking one-to-one like never before. If that isn't a game-changing opportunity, what is?

As printing companies continue to grow and innovate, they can only do so by understanding their clients' businesses and engaging with them in a real and meaningful way. Many complain about the disappearance of relationships today, but that is simply not true. Relationships built on trust and respect enable the type of collaborative and open partnerships that foster creative and innovative solutions.

Transparency and sharing create opportunities. Customer engagement, investment in knowledge and human capital, capital investment, and hyper-evolution will also provide opportunity. Think differently and create your own.