



KEYPOINT
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WHITE PAPER

EXPLORING THE CROSS-MEDIA MARKET OPPORTUNITY

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PREPARED FOR:



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Executive Summary

For centuries, print was the centre of the communication world. Printed paper—in the form of books, newspapers, magazines, catalogs, brochures, and signage—was the leading source of information. Even with the advent of radio and television in the 20th Century, print continued to hold a lofty spot among the various media types. Then came the Internet, which broadened access to all manners of electronic delivery of information. Not long after, cell phone networks and advancements in computing and display technology continued to shift the focus away from print, and toward electronic display. After all of these changes, the reality is that print now plays a supporting role rather than a leading one. What this means is that today's print service providers (PSPs) must find ways to take advantage of the benefits of print while simultaneously connecting it to the digital world. This is the essence of cross-media communication for PSPs.

Key Findings

- ◆ **Using multiple channels increases the likelihood of a response.** Marketing messages benefit from repetition, and the use of multiple channels can support this. On average, consumers must be exposed to at least three messages before taking action.
- ◆ **Consumers value personalised messages.** Although consumers prefer personalised messaging, this messaging must guarantee the security and privacy of customer data.
- ◆ **Marketers want to track campaign effectiveness.** One of the reasons that electronic methods have become popular is that they are trackable. The results are quantifiable, and therefore return on investment tends to be easier to calculate.

Recommendations

- ◆ **Work with marketers.** Print has the potential to be viewed as a standalone service unless marketers see its value as part of a broader campaign. PSPs must meet the needs of marketers to avoid being pigeon-holed as “print only” providers.
- ◆ **Start small and stay simple.** Although the bells and whistles of specialty techniques are important for some applications, most cross-media applications for PSPs will be based on e-mail, personalised messaging, and custom landing pages. Most PSPs will begin addressing cross-media communications in these areas.
- ◆ **Walk the talk.** Using cross-media techniques in your own company's promotional campaigns is an excellent way to demonstrate how cross-media can work for your customers. Furthermore, cross-media techniques that don't work for your business are unlikely to be a good fit for your customers.
- ◆ **Link the physical and digital worlds.** Today's marketers spend a lot of time considering how social media, including web page and search-engine advertisements, can help them acquire prospects and sales. Print can often be one of the first links that helps brands move consumers from physical (e.g., point-of-purchase signage) to digital applications (e.g., web-driven sales).



Introduction

As a consumer, how do you prefer to receive information from your bank or financial advisor? Which marketing messages will draw you to visit a new restaurant or retailer? What does it take to drive you to a website to purchase an item? How have your perspectives on this changed over the past decade? These questions are driving PSPs to reconsider how they work with their clients, and how they build relationships with the marketers who manage these customer messages.

In this white paper, we will explore the changing landscape of cross-media communications building on recent research conducted by Keypoint Intelligence – InfoTrends with businesses and consumers in Western Europe.

Defining Cross-Media Communications

Cross-media communications require the presence of two key components:

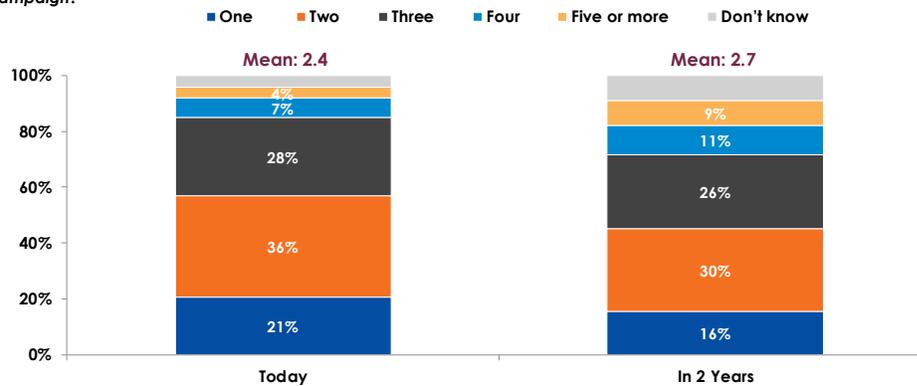
- ♦ **Multiple media types:** Cross-media communication occurs when more than one media type is used to transmit a marketing or informational message. The delivery tools might include print, e-mail, mobile devices, and/or web browsers. Social media channels like Facebook or Twitter can also be incorporated, as can techniques such as personalised URLs (pURLs), bar codes, personalised videos, quick response (QR) codes, augmented reality (AR), virtual reality (VR), and near-field communication (NFC) tags.
- ♦ **Marketing services:** An effective cross-media campaign builds on a range of marketing services, including design, list acquisition, campaign management, and data analytics. The use of marketing services is a core piece of cross-media communication. Service providers must build on a custom blend of tools to provide the appropriate media mix to generate optimal results for their clients.

Print is a core component of the cross-media mix and remains a powerful tool, particularly when used in combination with other media types. An InfoTrends research study entitled *In Search of Business Opportunities: Finding the Right Prospects* found that companies typically used two or three channels for a typical customer communication or marketing campaign. In addition, they expected that number to increase over the next two years.



Figure 1: Number of Channels Used in a Customer Communication or Marketing Campaign

How many different types of media does your company use/expect to use for a typical customer communication/marketing campaign?



N = 1,010 SMB Respondents

Source: *In Search of Business Opportunities: Finding the Right Prospects*, Keypoint Intelligence – InfoTrends 2017

PSPs must take the changing media mix into account as they work to meet their customers' needs in the future.

Components of a Cross-Media Marketing Campaign

Cross-media marketing services are often sold and delivered through campaigns or programmes. A cross-media marketing campaign is built on the following components:

- ◆ **Data Analytics:** These are often used to segment customers so that they can be targeted in a unique way.
 - Customer segmentation is defined as the practise of dividing customers into groups that share marketing-related characteristics, such as gender, age, income level, or buying preferences.
 - Data is often obtained from the client (e.g., from a Customer Relationship Management (CRM) system), but list data can also be purchased from a list provider.
- ◆ **Campaign Design & Planning:** Each cross-media marketing campaign must be planned and thought through. The use of a flow diagram is often a good idea. Most of today's cross-media marketing solutions come with visual campaign builders that help you design a cross-media marketing campaign in a visual way by dragging and dropping components to a grid. Templates and artwork need to be created for each customer touchpoint; these can include direct mail pieces, e-mails, Web landing pages, mobile sites, or even text messages.
- ◆ **Campaign Execution:** For the actual execution, dedicated cross-media marketing software solutions that can be used include [EFI MarketDirect](#), [Markomi](#), and [Objectif Lune](#). Companies can also use various standalone offerings such as e-mail marketing solutions, Variable Data Printing (VDP) solutions, or Web design tools.
- ◆ **Feedback Loop:** A cross-media campaign must be a closed loop, meaning that respondents must be able to respond to the call for action. Popular techniques



include the use of Web landing pages, survey pages, or text messaging systems. Printing mobile codes or web links on the printed piece enables print recipients to interact immediately. The captured information can be stored and analysed, and follow-up actions can be derived from it.

Cross-Media Tools

Some tools that are commonly used with print for cross-media purposes include:

- ♦ **Personalised web links:** Also known as pURLs, these web links lead the recipient to the landing page of a website. The content can be targeted to general information that the marketer knows about the recipient, or it might be personalised to the recipient's buying habits, perhaps based on loyalty club or other specific data. When used in print, the pURL must be concise and readable since the recipient will have to type it into his/her web browser.
- ♦ **Scannable codes:** Scannable codes take the onus off of the recipient's typing skills. In the example of a barcode on a coupon, the encoded information is captured by a barcode reader at a retail location. With the correct software application, the camera of a mobile phone can serve as a reader. This is the case with QR codes.
- ♦ **Augmented reality (AR):** As its name implies, augmented reality adds a visual onto a real-world image through the support of a digital camera and a special software application. When users aim the camera of their tablet computer or cell phone at an AR image, the software recognises it and displays computer-generated graphics (e.g., a preview of a model toy kit or a drawing in an engineering manual). AR has broad applications in books, manuals, packaging, and games.
- ♦ **Near-field communication (NFC) tags:** An NFC tag contains a microchip that is activated when scanned by an NFC reader or a specially enabled mobile phone. The connection to print is that NFC tags can be built into labels or stickers and easily attached to products or signage, allowing information about that product to be viewed on the reader.

Other tools may also be used in cross-media campaigns with print, but they do not necessarily require a print component. These include:

- ♦ **Geomarketing:** This technique uses geolocation (e.g., geographic information) in the planning and implementation of marketing activities. Now that most consumers are carrying mobile phones capable of pinpointing their exact location, geomarketing has become an important aspect of targeted marketing and special promotions.
- ♦ **Personalised videos:** Software tools allow marketers to promote services, products, and brands via video with a personal touch, such as including a customer's name in a promotional video or holiday greeting. Aspects of the video can also reflect relevant information about the client. While a link to a personalised video could be included as a pURL in a printed direct mail piece, the typical use of personalised video occurs via a website registration or e-mail invitation.
- ♦ **Virtual reality (VR):** While AR enables a user to view graphics or other information using a digital device like a tablet or mobile phone screen, VR is a much more immersive experience in which the user puts on a headset or VR goggles and uses them (perhaps



with the addition of handheld controllers) to manoeuvre around the environment. Special rooms with projected images or multiple large screens can also be used for VR.

Why Cross-Media Communications?

Today's marketers are pursuing cross-media communications for several reasons:

- ♦ **Cross-media communication is more effective than using print alone.** It takes multiple customer touches to convert a lead into a sale. Cross-media marketing campaigns reach prospects across a number of channels, thereby building brand recognition. Studies show that combining print with multiple channels (e.g., mobile, Web landing pages, e-mail) increases response rates.
- ♦ **The communication landscape is evolving.** The prevalence of mobile communication channels (e.g., smartphones and tablets combined with social media) has significantly changed the ways in which people communicate and interact with information. This shift in media consumption behaviours is forcing businesses to adjust their marketing and promotion efforts. Cross-media marketing enables businesses to stay in front of a changing communication channel and continue to reach customers. In fact, it is today's expectation that businesses communicate with their customers through different media platforms—and that they respond to customer feedback through whichever platform suits the customer at that moment. Social culture has changed the equation.
- ♦ **Cross-media communication expands the utility of print.** Print offers many advantages—it is tactile, portable, and commands attention; it does not require batteries or get stuck in spam filters; and it is a familiar and credible carrier of information. Unlike electronic channels, though, print cannot deliver instant feedback. Savvy marketers are now embracing QR codes, pURLs, NFC tags, and AR to bridge the physical properties of paper with the online realm.
- ♦ **Cross-media marketing increases the relevance of communications.** Relevance is a key concept for today's marketers. Because today's consumers are bombarded with messages, they only act on the most relevant ones. Cross-media marketing efforts powered by customer information deliver relevancy on several fronts: a personalised message, a relevant delivery channel, and optimal timing. Delivering the right message, in the right channel, at the right time is the trifecta for converting prospects into sales.
- ♦ **Cross-media marketing is measurable, enabling marketers to demonstrate return on investment.** Today's businesses are more conscious about their marketing spend and frequently require proof that their marketing dollars are generating results. Cross-media marketing enables businesses to track communications, measure their effectiveness, and improve their return on investment.
- ♦ **The perceived lower cost of electronic media.** Companies are redistributing their spending on communication channels because of changing customer preferences, but also because e-mail and mobile messaging are seen as lower-cost options than print (due to its associated production and postage costs). Of course, this thinking ignores factors such as customer preferences and response rates.



Data Security, Privacy Concerns, and Consumer Preferences

In any cross-media campaign with a targeted or personalised component, marketers are applying the information they have about a customer or a prospect. For the target, this may raise questions about data security and privacy. These concerns have been partially addressed by governments around the world; legislation guides the way that institutions can use customer data while also giving more power to individual consumers in the relationship. This also raises important questions about consumer preferences in terms of how frequently and via which media they prefer to be contacted.

Within the European Union, the General Data Protection Regulation (GDPR) specifies standards for data protection and electronic privacy. It identifies the rights of European citizens to control how their personal data is processed and distributed. Those who violate GDPR are subject to fines of up to €20 million (or even more, depending on the company's annual turnover). GDPR took effect in May 2018, and it affects any enterprise on a global basis that handles European customer data. Similar regulations are cropping up in the United States and globally, so the requirement of obtaining a customer's consent before using their information has far-reaching implications.

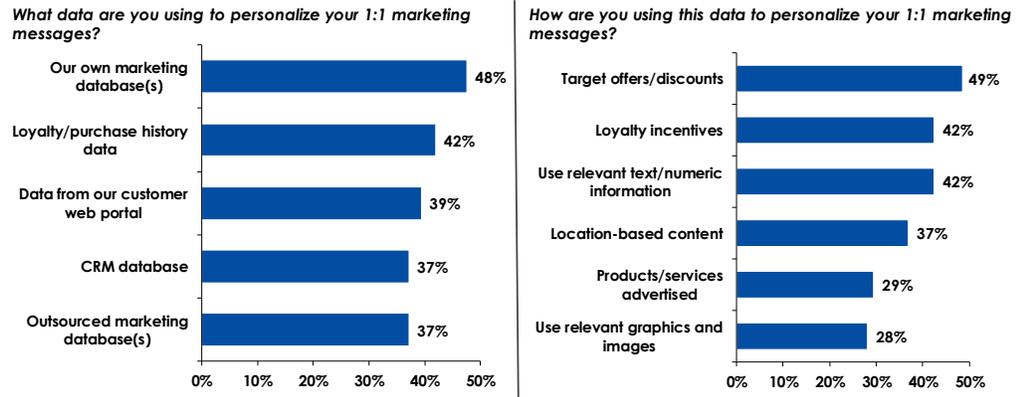
The Use of Personalisation

Privacy concerns have not prevented marketers from working to provide customers and prospects with promotional information about their products and services, but it has made them more cautious. In its *Annual State of Marketing Communications Business Survey* from 2018, InfoTrends asked respondents in Western Europe about their one-to-one marketing messages. As shown in the Figure below, two questions were particularly relevant here:

- ◆ **What data are you using to personalise your 1:1 marketing messages?** Enterprises identified their own marketing databases, loyalty card or purchase history data, data from their web portal, customer resource management database data, and outsourced marketing databases as the top five sources of data.
- ◆ **How are you using this data to personalise your 1:1 marketing messages?** Enterprises are using the data in targeted offers & discounts, for loyalty incentives, in relevancy for text or numeric information (though also for graphics and images), for location-based content, and to advertise products and services.



Figure 2: Source and Use of Data for Personalisation

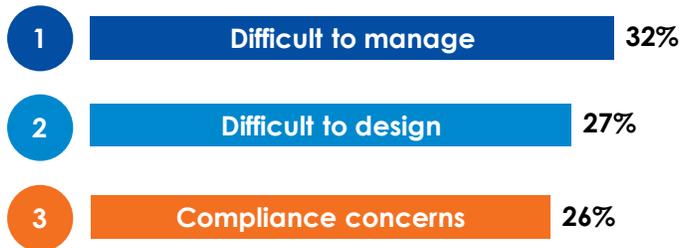


N = 231 Enterprises in Western Europe that send out 1:1 marketing messages; Multiple Responses Permitted
 Source: Annual State of Marketing Communications Business Survey, Keypoint Intelligence – InfoTrends 2018

When European enterprises were asked why they did not produce more 1:1 communications, respondents most commonly reported that they were difficult to manage, difficult to design, or raised concerns about compliance.

Figure 3: Top Reasons for Not Producing more 1:1 Communications

Why don't you produce more personalised 1:1 marketing?



N = 223 Enterprises in Western Europe whose 1:1 marketing represents under 75% of their total direct marketing; Multiple Responses Permitted
 Source: Annual State of Marketing Communications Business Survey, Keypoint Intelligence – InfoTrends 2018

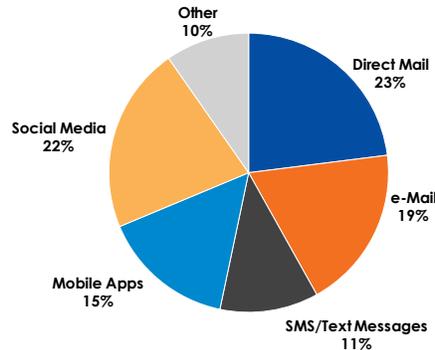
This data speaks to an important point—PSPs must focus on simplicity in scope and design while assuring the security and privacy of customer data.

As noted earlier, print is no longer the centre of the media mix in today's world. At the same time, however, the Figure below shows that it still plays an important role in terms of enterprise marketing spend. Direct mail is the top category, followed closely by social media and e-mail. Mobile apps and text messages round out the top five channels.



Figure 4: Distribution of Direct Marketing Spend

How is your direct marketing spend distributed across the following channels?

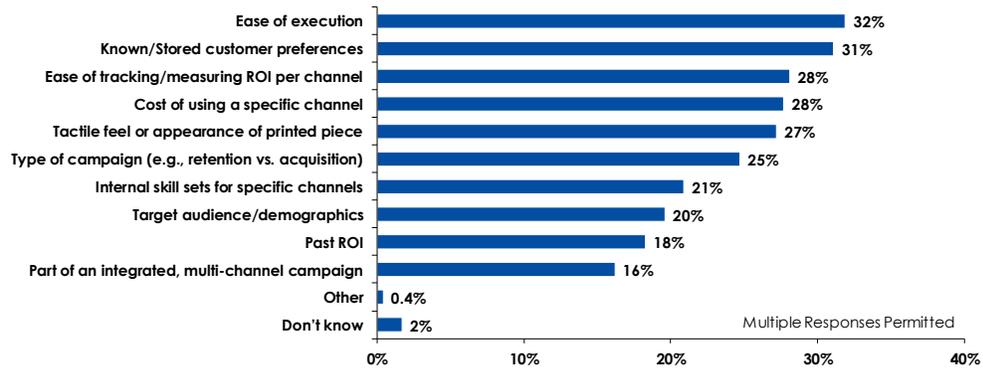


N = 240 Enterprises in Western Europe that spent money on direct marketing in 2017
 Source: Annual State of Marketing Communications Business Survey, Keypoint Intelligence – InfoTrends 2018

Although print remains a vital channel, marketers ranked their own web portal as the most important aspect when they were asked to provide a lookout over the next 2 years. Furthermore, social media, e-mail, mobile applications, and text messaging all ranked ahead of direct mail pieces in 2 years' time. Nevertheless, factors like familiarity and ease-of-use continue to work in print's favour. When enterprises were asked why they use print in direct marketing communications, they most commonly cited ease of execution, known customer preferences, and ease of tracking and measuring return on investment.

Figure 5: Reasons for Using Print for Direct Marketing Communications

What are the primary reasons that you send direct marketing communications through print channels?



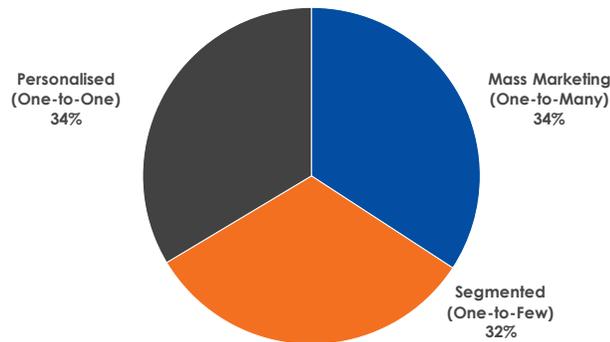
N = 235 Enterprises in Western Europe whose direct mail volume includes digital
 Source: Annual State of Marketing Communications Business Survey, Keypoint Intelligence – InfoTrends 2018

We already know that simplicity is an important factor for marketers. This is reflected in the way that their direct marketing campaigns are structured. Due to the previously mentioned factors, today's marketers tend to focus on mass market opportunities and lean away from 1:1 personalisation. PSPs stand to gain from these mass market inclinations, but they should also be urging marketers to provide more segmented and fully personalised content for customers and prospects.



Figure 6: Personalisation Levels of Direct Marketing Campaigns

What percentage of your direct marketing campaigns fall into the following personalisation categories?



N = 256 Enterprises in Western Europe
Source: Annual State of Marketing Communications Business Survey, Keypoint Intelligence – InfoTrends 2018

What Do Consumers Want?

It is certainly important to understand what marketers want, but it is even more important to know what consumers want. Further data from European consumers in InfoTrends' Annual State of Marketing Communications research sheds additional light on this topic. This study surveyed over 2,000 Western European consumers in France, Germany, Spain, and the United Kingdom. Results were broken down by age, gender, income, technology adopter type, living situation, and living area.

Nearly 62% of total respondents said that they read all or most of their printed direct mail before throwing it out. This share was highest among the oldest consumers (70%) and early adopters of technology (65%). The share of consumers who read all or most of their *digital* marketing messages was noticeably lower (48%). Personalised or relevant content and a familiar/trusted sender made consumers most likely to read a piece of direct mail.

Because today's consumers are bombarded with marketing messages across a variety of media channels, a cross-channel presence is quite important. 40% of total respondents said they were more likely to read a digital marketing message, while 29% would be more likely to read a printed direct mail piece. Meanwhile, another 26% said it depended. This points to the importance of using multiple channels to communicate with consumers.

Nearly 38% of these consumers agreed that they spent much more time with personalised direct mail than they did with generic pieces. Personalisation increases engagement with digital marketing messages, too. Personalised and relevant content made consumers more likely to interact with direct mail pieces and digital marketing messages. Marketers clearly need help making their messages more personalised and relevant.

Although 38% of consumers reported spending much more time reviewing personalised and relevant direct mail than generic messages, only about 34% of respondents frequently or very frequently received highly personalised marketing communications. This indicates that there is much room for improvement in delivering more personalisation. PSPs must help

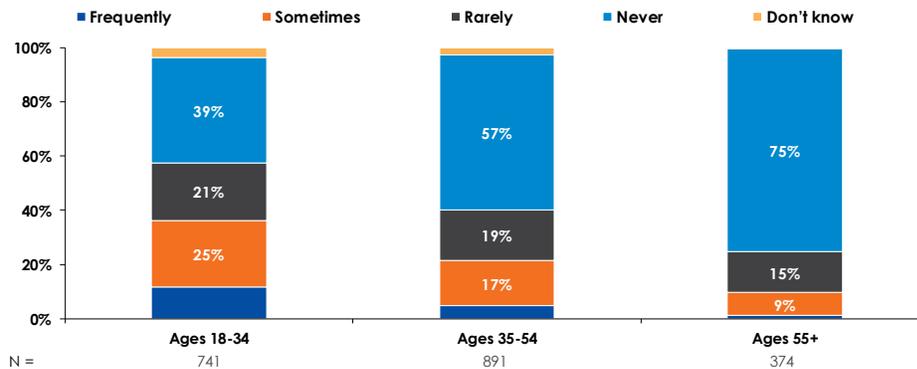


their clients develop marketing messages that get attention and drive action. When respondents were asked about the techniques that made them most likely to engage with printed direct mail, the top responses included coupons and the use of full colour.

One striking aspect regarding mobile phone usage and interactions with marketing communication messages was the disparity between older and younger age groups. 75% of survey participants aged 55+ never used their mobile phones to interact with marketing communication messages. Only 24% in that age group did so sometimes or frequently. Meanwhile, consumers between the ages of 18 and 34 were considerably more likely to sometimes or frequently use their mobile phones for interacting with marketing messages.

Figure 7: Mobile Phone Use for Marketing Communication Messages

How frequently do you use the camera on your smartphone/mobile device to interact with marketing communications?



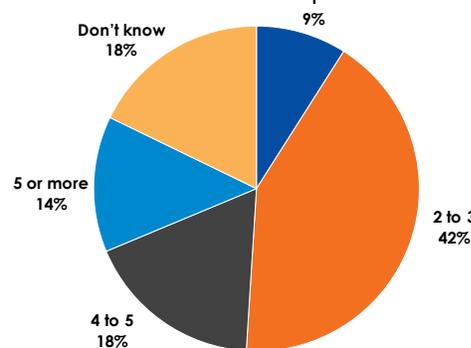
Source: Annual State of Marketing Communications Consumer Survey, Keypoint Intelligence – InfoTrends 2018

The study also confirms the importance of repetition. Only 9% of users took action after one marketing message. On average, respondents needed to see an average of 3.3 messages before taking action. This supports the value of cross-media efforts.

Figure 8: Number of Marketing Messages Seen Before Taking Action

On average, how many total marketing messages (across print and digital channels) must you see before you take action?

Mean:
3.3 messages



N = 1,829 Consumer Respondents in Western Europe who find marketing communication channels effective
Source: Annual State of Marketing Communications Consumer Survey, Keypoint Intelligence – InfoTrends 2018

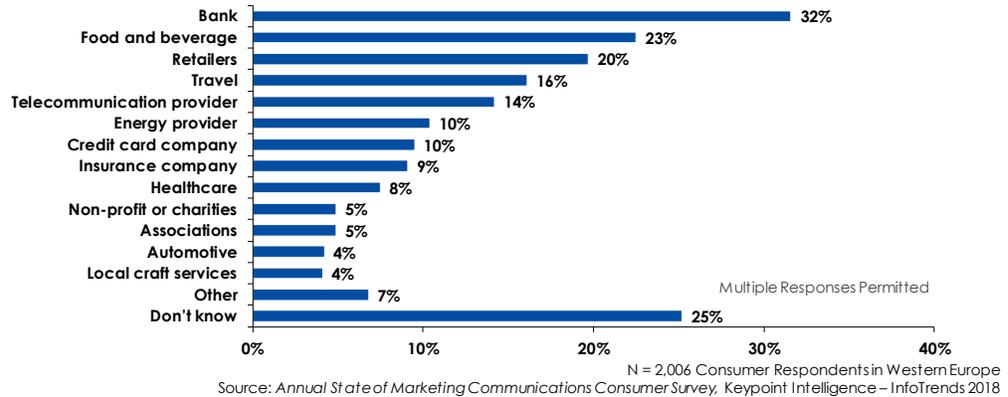
Another statistic worth underscoring relates to mobile phone applications. Businesses are increasingly using mobile apps for promotional purposes. Banks are leading this charge, followed by food & beverage and retail. The point here is that marketers need consistent



messages across multiple channels, including mobile apps. Cross-channel fluidity between printed and digital communications can enable marketers to deliver the best possible customer experience.

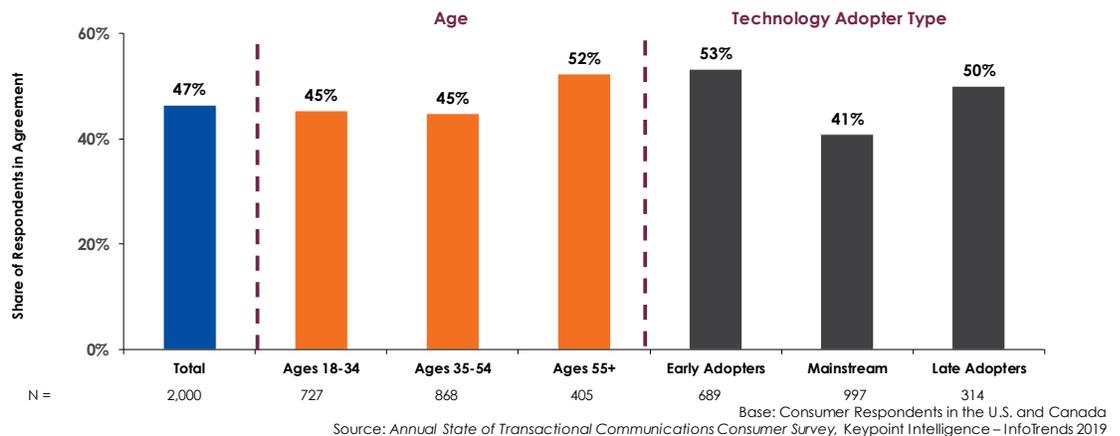
Figure 9: Businesses Offering Mobile Apps

For which of the following types of businesses have you downloaded mobile apps that has been used by the business for promotional purposes in some capacity?



It should not be lost in this discussion that human beings continue to see print on paper as a valuable means of communication for a variety of reasons, including familiarity, knowledge retention, and even the tactile nature of the medium. In the case of applications like billing or fundraising, paper also serves as a physical reminder of an obligation. Research conducted by InfoTrends reveals that even in today's digital age, many consumers still enjoy receiving paper-based communications. This is true regardless of age or technology adopter type. In fact, over half of consumers who consider themselves early adopters of technology report that they still like to receive paper mail.

Figure 10: Consumer Still Like Paper-Based Communications



The simple message is that marketing campaigns excluding paper as a communication channel are overlooking an important opportunity.



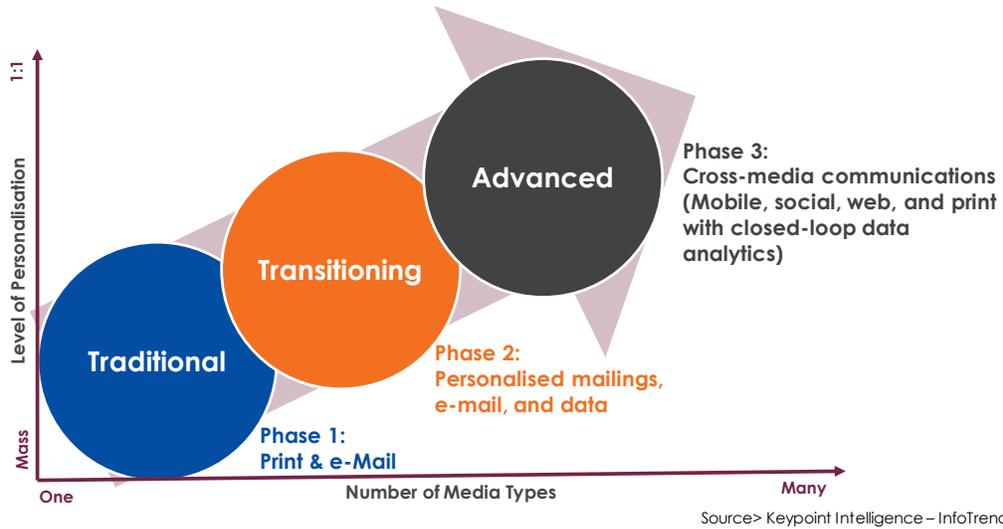
Putting Cross-Media Services into Practise

Recognising the phases of the cross-media transition serves as a guide for successfully implementing change. A phased approach to implementation can further smooth the transition. To understand, define, and track the steps occurring in the market evolution, InfoTrends has identified three overall phases in the transition to cross-media services:

- ♦ **Phase 1 – Traditional:** A traditional service provider is able to produce digital and traditional print, as well as e-mail campaigns in an integrated approach. At a minimum, successful traditional service providers have established baseline services that enable them to respond to a variety of customer needs. Over time, traditional service providers will incorporate more creative services into their offerings. Quick turnaround, short-run digital colour printing is a key component of this transition.
- ♦ **Phase 2 – Transitioning:** A transitioning service provider understands how to process data for the purposes of conducting personalised print and e-mail campaigns. Businesses that are transitioning into cross-media service providers are expanding their ability to sell, support, and deliver additional services, thus setting themselves apart from traditional service providers. The major difference between traditional and transitioning firms is that the latter provides more strategic account management, more data services, and personalised one-to-one colour digital printing. Transitioning firms have typically expanded the management of postal logistics and more comprehensive project management such that their clients view them as trusted advisors rather than strictly service providers.
- ♦ **Phase 3 – Advanced:** In addition to knowing how to process data, advanced cross-media service providers offer value-added data services and strategic data analysis. These providers also deliver fully integrated campaigns across Web, mobile, print, social media, and other channels that may include audio, video, and more. The main differentiator for advanced service providers is that they act as strategic advisors and provide a comprehensive, integrated, and measurable set of cross-media services. Advanced cross-media service providers couple marketing and production services with creative, project management, and account management services.



Figure 11: The Path to Cross-Media Marketing Services



Cross-media represents an evolution in one's service offerings. Successful providers start with VDP and web storefronts, basic data services, online offerings, and pURLs. They then expand their capabilities into more extensive offerings such as mobile barcodes, text messaging, campaign management, data mining & analytics, CRM, and marketing automation.

InfoTrends' Opinion

It is pointless to predict today what new cross-media techniques might enter the market in the next decade and beyond. With the experience of the past 20 years in mind, however, one thing is for certain—more communication techniques will arrive in the mainstream. The question is, how will today's print service providers adapt?

In the future, PSPs will need to evolve so they can communicate with customers and prospects across multiple media channels and embrace the changes that are driving marketing spending. Thanks to its ability to link the digital and physical worlds, print is and will remain a vital component of the multi-channel mix. Furthermore, certain consumers will maintain a preference for print for a myriad of reasons, so print will remain an important option among the many methods of communication.

Now and in the future, marketers will want to demonstrate the return on their marketing dollars with quantifiable cross-media campaigns. Savvy PSPs will use this as an opportunity to expand their service offerings, win new customers, and remain relevant in our changing communications world.

opinion



authors



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Consultant Emeritus

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