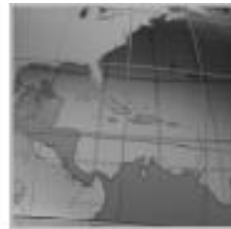


Analysis



Business Development Services



The Cross-Media Opportunity

Prepared for Konica Minolta



KONICA MINOLTA

InfoTrends
A Questex Company

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Key Highlights

- Although print is a core component of the media mix, it is no longer the only tool in the box.
- The print volumes of yesterday are not returning, so expanding services that add value to print and grow volume can help yield profits.
- A major driver of cross-media usage is the notion of “print plus,” which simply means that combining print with another channel is more effective than using print alone.
- Since some consider the traditional black-&-white appearance of mobile codes to be detrimental to the visual attractiveness of a design, design agencies have begun experimenting with QR Design Codes that are blended in with artwork
- Augmented reality works by overlaying virtual information onto the real world to “augment” (or add insights) to the experience.
- Recognising the phases of the cross-media transition serves as a guide to successfully implement change, and a phased approach to implementation can smooth the transition.
- Today’s software tools enable marketers to test campaigns and their various elements with real-time dashboards.

Executive Summary

Communicating with customers and prospects across media channels is quickly becoming essential for successful marketing. Reaching customers via multiple touchpoints can have a profound effect on marketing and sales efforts, and businesses are seeking service providers that can deliver their messages using multiple channels beyond print. Print is a vital and powerful component of the multi-channel mix. Consumers’ trust of print and its ability to link the physical to digital worlds have solidly positioned it as key channel in cross-media communication. As a result, many print service providers (PSPs) are discovering that moving into cross-media services is a must for optimising print’s business potential.

The transition from a PSP to a cross-media marketing service provider is in full swing. Firms of all sizes are expanding the media types that they offer and backing them with marketing services, including creative, campaign strategy and management, and data analytics. The idea is to offer a variety of marketing communication tools that can be custom-blended into the perfect media mix based on the individual client’s needs to generate results. Print is a staple component of that mix.

Print is a vital and powerful component of the multi-channel mix.

Fierce competition in the traditional printing market is fuelling the cross-media transition. Offering cross-media marketing services enables print service providers to enhance the value of their services and also create longer-term relationships with clients who will be less likely to move their business based on a cost difference of a few pennies per printed page. These services also open new and recurring revenue streams as contented customers come back for more.

Introduction

More media choices, multiple communication channels, and new technologies offer profitable opportunities for PSPs that can connect print, Web, video, e-mail, mobile messaging, and online communities. Smartphones, tablets, social media, and other digital communication channels are changing the way that people consume and interact with information. In turn, marketers are mixing new and traditional channels to reach customers through cross-media marketing. This paper defines cross-media marketing, explains how print service providers can benefit from embracing it, and highlights the key steps for transforming from a print business to a cross-media marketing service provider.

What is Cross-Media Communication?

Although print is a core component of the media mix, it is no longer the only tool in the box.

Cross-media communication is defined as using two or more types of media—print, e-mail, Web, mobile, and/or social (e.g., Facebook, Twitter)—and backing them with marketing services such as creative, campaign management, and/or data analytics. The latter component of this definition (backed by marketing services) is of paramount importance. The idea is to offer a variety of communication tools that can be custom-blended into the perfect media mix to generate optimal results. Additionally, although print is a core component of the media mix, it is no longer the only tool in the box. Still, it remains a powerful tool and PSPs that are offering cross-media services report that the move has increased digital print volume.

As younger marketers who are more familiar with digital media begin making communication decisions, it will be important to show them that print isn't dead and delivers results. A growing body of research shows that marketing campaigns without print in the mix are less effective. In fact, a recent scientific study on direct marketing conducted by advertising research firm Millward Brown for the U.K.'s Royal Mail found that the human brain processes paper-based and digital marketing in different ways. The research found that printed materials create a more emotional response than digital media, which can lead to higher retention rates.

As depicted in the Figure below, print service providers' move to cross-media services often reflects a natural evolution. Firms typically start out with digital printing, online order submission, variable data, and mailing, then add personalised URLs (pURLs), e-mail, and mobile barcodes. Next, they move on to more extensive campaign management, data mining and analytics, CRM, mobile barcode tracking, near-field communications (NFCs), augmented reality (AR), digital asset management, social media, and marketing automation. The final stage is more advanced integrated marketing applications.

Figure 1: The Evolution of Cross-Media Marketing Services



Source: InfoTrends

Why Cross-Media Communication?

Marketers are pursuing cross-media communication for a number of reasons

- **Cross-media communication is more effective than using print alone.** A widely acknowledged marketing and sales belief is that it takes 6 to 8 customer touches to convert a cold lead into a sale. Cross-media marketing campaigns reach prospects across a number of channels, thereby building brand recognition. Combining print with multiple channels (e.g., mobile, Web landing pages, e-mail) can generate a 27% increase in response rates over using print alone¹.
- **The emergence of new technologies is changing the communication landscape.** The prevalence of new communication channels (e.g., smartphones, tablets, 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.

¹ Source: *Understanding Vertical Markets in Western Europe: Corporate Communication Requirements*, InfoTrends 2014

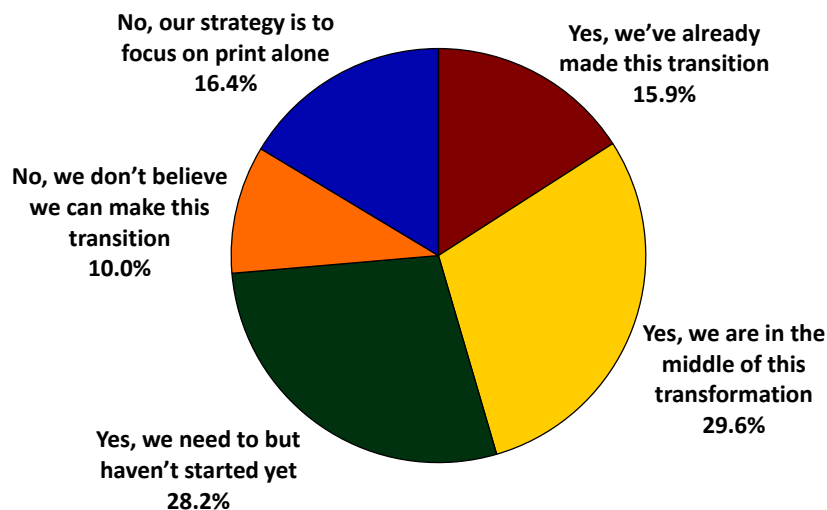
- **Cross-media communication expands the utility of print.** Print offers many advantages—it is tactile, portable, and commands attention; it does not require batteries or get stuck in spam filters; and it's a familiar and credible carrier of information. Unlike electronic channels, though, print cannot deliver instant feedback. Savvy marketers are now embracing quick response (QR) codes, pURLs, NFCs, 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 and enables marketers to show ROI.** Today's businesses are more conscious about their marketing spend and 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. Companies are also redistributing their communication channels to accommodate customer preferences; this often means replacing print with lower-cost alternatives like e-mail or mobile.

The Business Potential

PSPs have repeatedly heard that expanding their print offering to include a host of media options backed by a solid marketing strategy is the only way to survive. The print volumes of yesterday are not returning, so expanding services that add value to print and grow volume can help yield profits. This message is well-heard and understood. About 74% of respondents to a [recent InfoTrends survey](#) believe that they need to transform into marketing service providers. Additionally, 36% of these respondents are currently making this transition or have already done so. Interestingly, when comparing survey results from the 2015 study to those gathered in 2012, the number of PSPs reporting that cross media was not a part of their strategy declined by 41%.

Expanding services that add value to print, and grow volume, can help yield profits.

Figure 2: Do you believe that print service providers need to transform themselves into marketing service providers?



N = 220 Commercial Respondents
Source: *European Investment Survey*, InfoTrends 2015

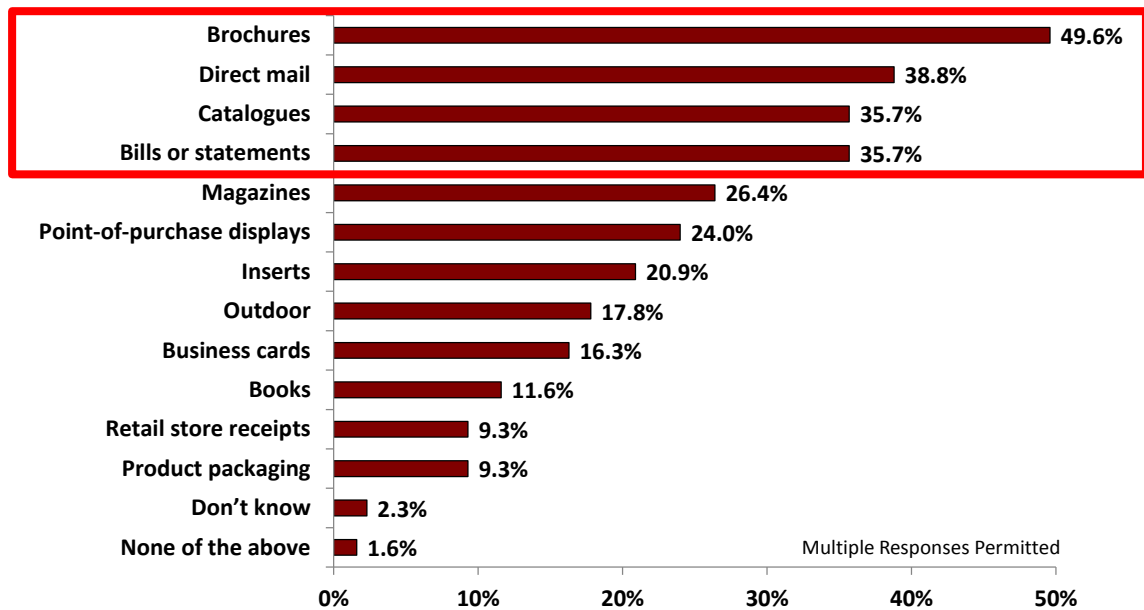
Expanding services to include cross-media marketing provides numerous benefits for print service providers, including:

- Increased customer loyalty and job volumes.
- Higher digital printing volumes. In fact, PSPs in the U.S. reported that their digital print volumes increased by an average of 19.9% from offering cross-media marketing services.

Expanding services beyond print enables pricing based on value delivered to customers. Value-based pricing typically yields much higher returns than a cost-plus method that is based on the cost of a printed page plus a standard mark-up.

European print and marketing service providers expect to see high growth in print products that contain cross-media elements, such as personalised URLs, QR codes, NFC tags, or AR. Marketers and communication decision-makers expect to increase the use of combining print and digital media. According to InfoTrends' research, 40% of marketers plan to combine print and digital media. Those companies that are already blending media report that 42% of printed marketing materials are linked to digital media. The most common media types that are blended with digital include brochures, direct mail, catalogues, and bills/statements.

Figure 3: What types of printed media have you blended with digital channels over the past 12 months?



N = 129 respondents who are familiar with and use technologies that combine print with digital media channels

Source: *Understanding Vertical Markets in Western Europe: Corporate Communication Requirements*, InfoTrends 2014

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:** 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 System), but list data can also be purchased from list providers.
- **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 SMS text messages.
- **Campaign Execution:** For the actual execution, dedicated cross-media marketing software solutions that can be used include DirectSmile, XMPie, or EngageIT XMedia. 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 (e.g., QR codes) or providing a pURL 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. The need for marketing analysis has created a demand for **marketing automation** software products such as Eloqua, Genius, Hubspot, Marketo, or Silverpop.

Where Are We Going?

Print Plus: Making Print Interactive

A major driver of cross-media usage is the notion of “print plus,” which simply means that combining print with another channel is more effective than using print alone. Over the past few years, technologies have emerged to make print interactive by connecting it to digital media. Some of the most popular methods are outlined below.

Mobile Codes

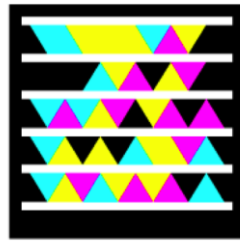
The top three applications for mobile codes include brochures, direct mail, and magazines.

Printed mobile codes (e.g., QR codes, data matrices, Microsoft Tags) that can be scanned with a smartphone to display additional content have seen rapid adoption in recent years. Their main goal is to provide interactivity to the recipient of a printed piece. This interactivity might involve offering additional product information, providing a link to a video, extending an invitation to complete a survey, or providing a discount coupon. Mobile codes are mostly used in brochures, direct mail, and magazines.

Figure 4: Samples of the Three Most Recognised Mobile Codes



Quick Response (QR)



Microsoft Tag



Data Matrix

Mobile barcodes are facilitating sales in a wide variety of industries. Going deeper than simply asking consumers to “like” a business on Facebook, these codes capture consumers’ attention and invite an in-depth exploration. They can be helpful “after hours” tools and also provide support when salespeople are tied up with other customers. A variety of sectors are leveraging this technology to grow their businesses, including:

- **Automotive companies:** Some automotive window stickers feature a QR code that can be read by the smartphone of a prospective car buyer.
- **Retailers:** A number of big box retailers have added QR codes to their bricks-and-mortar stores, making it easier for shoppers to obtain additional information about a product.
- **Real estate:** Agents are incorporating QR codes into home buyers’ guides or on “For Sale” signs outside of many homes.

From a design and brand value perspective, some marketing communication experts and designers don't like mobile codes because they believe that their traditional black-&-white appearance is detrimental to the visual attractiveness of the design. As a result, design agencies have begun experimenting with **QR Design Codes**, which are QR codes that are blended in with artwork. Leading brands use QR Design Codes to provide QR code functionality to their campaigns while still maintaining a cutting-edge image.

Figure 5: Examples of QR Design Codes



Nike, a leading shoe manufacturer

Personalised URLs

A pURL is a unique link that is printed on a direct mail piece (e.g., postcard) that points the recipient to a personalised web landing page. It might follow the format of www.yourdomain.com/firstname_surname. The pURL links

to a landing page where additional information can be displayed or responses can be captured.

Many companies present a prepopulated data form on the landing page (including name/address information), then ask the recipient to verify the data and make any necessary changes. These landing pages help keep the database clean and up-to-date, which is essential for effective cross-media marketing.

Personalised landing pages help keep the database clean and up-to-date, which is essential for effective cross-media campaigns.

Clickable Print / Image Recognition

In product brochures or catalogues, using QR codes for each product is not always the best option. It is often better to provide product images or additional information instead of placing a QR code next to each product image. There are technologies that address this issue. Companies like Layar and Documobi provide technology that scans images (typically product images), stores them in a cloud server, and provides mobile apps to consumers enabling them to retrieve additional information. The apps enable a mobile device or PC camera to read a marker or recognise an image. Application software that has been downloaded to the device analyses that marker or image to create a virtual image overlay on the screen that is tied to the position of the camera. This means the app works with the camera to interpret the angles and distance of the device in relation to the marker.

Figure 6: Clickable Print Working



Source: Mobile Marketing Association

Elle magazine in Spain recently launched a campaign using image recognition. The publication used tagged printed content to enable readers to scan magazine pages with their smartphone and access additional content, articles, and information. The strategy is latest example of how print magazines are leveraging mobile to bridge the physical and digital worlds as readers increasingly embrace online content.

Augmented Reality

AR is an important component to cross-media communications, particularly in the packaging and publication markets. Although augmented reality is tough to explain, it does exactly what its name implies. The example that most people can relate to is its use in televised sports, where computer-generated graphics provide insight into the action. The basic idea of augmented reality is to superimpose graphics, audio, and other sensory enhancements over a real-world environment in real time. Television networks have been doing this with graphics for decades. Augmented reality works by overlaying virtual information onto the real world to “augment” (or add insights) to the experience. In recent years, other great examples of augmented reality have surfaced, including in-store packaging applications, engineering manuals, educational books, and games.

AR works by overlaying virtual information onto the real world to “augment” (or add insights to) the experience.

Figure 7: Augmented Reality Examples



In-store kiosk to show a 3D preview of Lego toy



Providing visual assembly instructions



Interactive Product Labels

Physical Extensions

While the examples above are all based on virtual extensions of printed pieces, companies also are experimenting with physical extensions. The most popular ones are outlined below.

Web Keys

These small USB sticks are positioned on paper and can contain any type of virtual information. They are ideal for B2B marketing and other instances where large amounts of information must be distributed.

Figure 8: Web Key Example



OLED Video Screens

Organic Light Emission Diodes (OLEDs) are organic components (plastics) used in digital displays such as television screens. Although expensive, they have evolved to a stage that they can be used in printed pieces such as magazines. Entertainment Weekly was one of the first magazines to feature a video screen in 2009, and more applications have surfaced over the years, including a direct mail brochure for Mercedes-Benz. When the brochure is opened, it shows a video about the car and its interior.

Figure 9: OLED Video for Mercedes-Benz



NFC Tags

NFC tags enable short-range, "contactless" radio communication between mobile devices and various media types. An NFC is a small, passive (no battery) device that contains a tiny microchip attached to a small loop antenna. When the tag is scanned by an NFC reader such as a mobile phone, it powers up and wirelessly transfers information such as a Web address, text, video, or a command for an app. The NFC tag can be locked (so that the data on the tag cannot be changed) or left unlocked (so the data can be changed again and again).

NFC tags are typically printed or plain stickers, but they can also be enclosed in products such as key fobs, wristbands, and hang tags. For example, the Rhein-Main Verkehrsverbund (RMV) in Frankfurt, Germany enables passengers to use NFCs to check schedules and buy tickets with their smartphones.

Figure 10: NFC Example from RMV (Germany)



A key benefit of NFC is that the process is automatic; an NFC-enabled mobile device that touches or comes in close proximity to a tag will automatically pick up the signal. NFC tags can be embedded in printed materials or affixed in the form of stickers to any surface or substrate. The user simply holds an NFC-enabled mobile device close to the tag and the interaction just happens, typically by launching a Web browser and visiting a site.

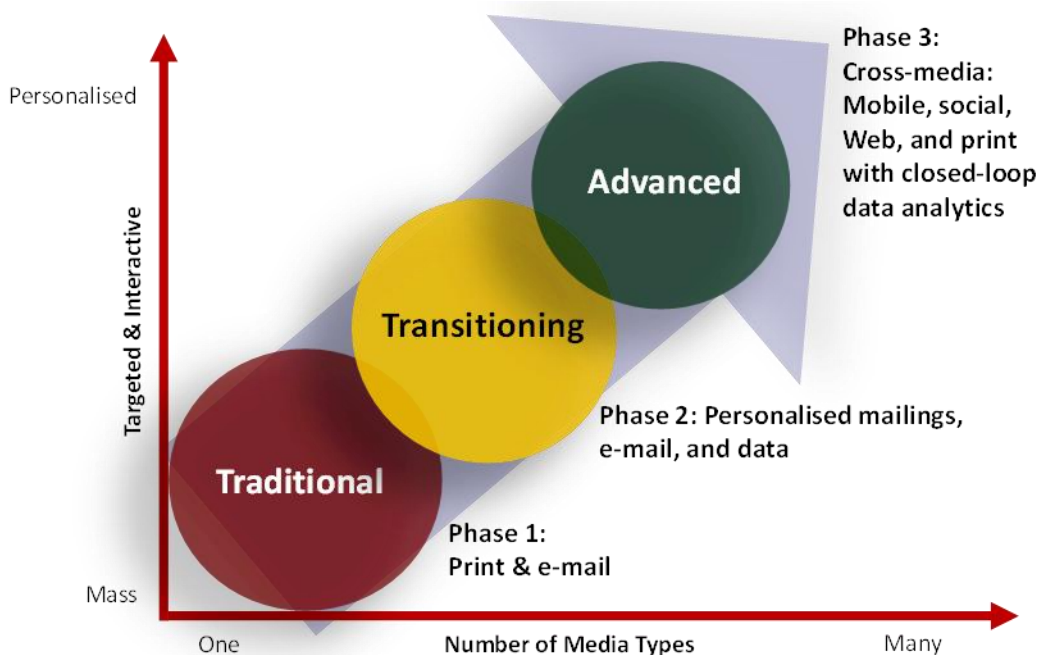
How to Get Started: Planning for Success

The Transition Path

Recognising the phases of the cross-media transition serves as a guide to successfully implement change. A phased approach to implementation can smooth the transition. To understand, define, and track the steps occurring in the in the market evolution, InfoTrends identifies three overall phases in the transition to a full-service cross-media marketing services provider:

- 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, as well as static digital colour printing for short-run quick turnaround projects.
- Phase 2 – Transitioning:** A transitioning service provider understands how to process data for the purpose 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 that set them apart from traditional service providers. The major difference between transitional 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 marketing 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 set of cross-media services that are fully integrated and measureable. 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



Making the Transition

Moving into cross-media communication is a “top-down” process.

Cross-media participation requires an evolution of 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 campaign management, data mining and analytics, CRM, mobile barcode tracking, and marketing automation. Mobile is the next stage in the evolution.

Although it is important to understand technologies and make the right investments, the foundation for success in offering cross-media marketing services lies in focussing on business development and marketing within the organisational leadership team. Moving into cross-media communication is a “top-down” process, meaning that an organisation’s top leaders must drive and support the effort.

InfoTrends has identified five key attributes for successful offering and selling cross-media marketing services. These are **Proficiency, Proactivity, Promotion, Patience,** and **Performance.**

Proficiency: Know Me and Understand My Business

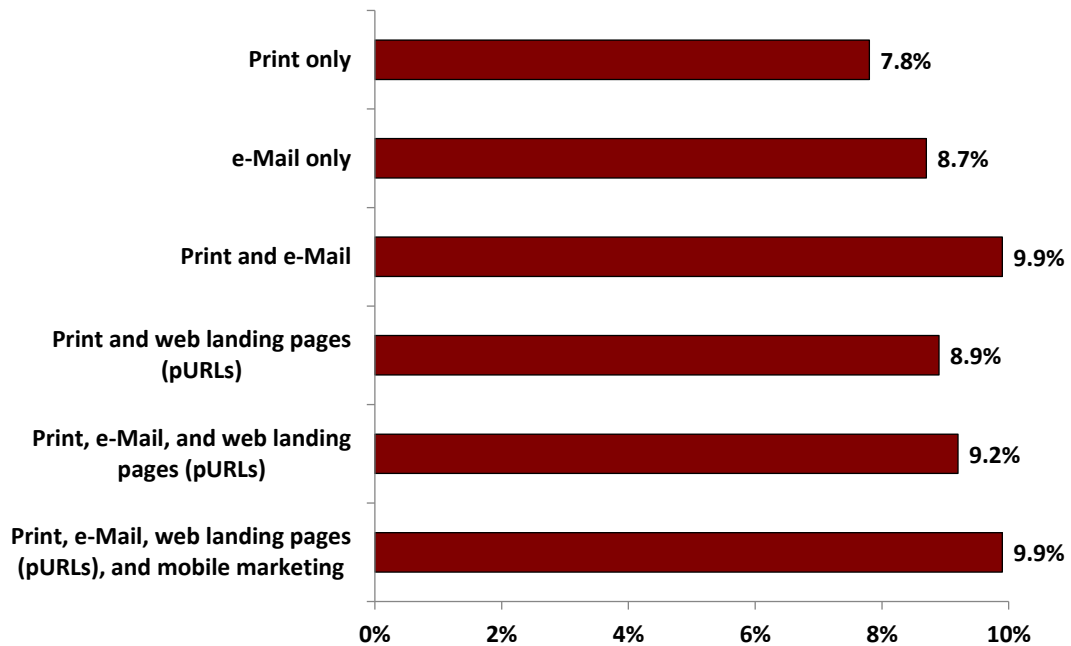
In today’s business world, the focus is NOT on selling print or even cross-media services—it is about proactively defining a client’s needs and objectives and identifying new and innovative approaches to satisfy requirements. Since salespeople are typically working with marketing executives, they must get to know each customer and understand the business before recommending a solution. This means demonstrating proficiency in the eyes of the client.

When dealing with marketers and C-suite executives, merely selling products is no longer enough. An essential component in selling cross-media is taking the time to learn about your customers’ problems and then identifying solutions that address these issues. As opposed to the old “sales quota” approach, a consultative approach enables a salesperson to achieve success by making intelligent observations and recommendations.

Proactivity: Educate the Buyer and Solve Their Business Problems

The “good old days” of waiting for customers to reorder printing work are long gone. Today’s salespeople must proactively seek projects and clients. Organisations are still spending money, but they are spending it differently and investing in unified campaigns that combine various media types. For print service providers, it is important to focus on marketers (vs. print buyers) and educate them on the benefits of cross-media campaigns. As illustrated in the Figure below, more media channels mean better campaign results!

Figure 12: What is the average RESPONSE rate of campaigns that use the following combinations of media channels?



N = 299 respondents who measure campaign results

Source: *Understanding Vertical Markets in Western Europe: Corporate Communication Requirements*, InfoTrends 2014

Promotion: Customers Need Proof!

Educating customers and demonstrating credibility are critical success factors in offering cross-media marketing services. In many cases, customers are not requesting cross-media services because they don’t know what they are, or because they don’t know that the firms they buy print from offer these services. To fill the customer knowledge gap, firms offering cross-media marketing services are incorporating a mix of self-promotion efforts including educational events, contests, or competitions to gain recognition. They are also creating self-promotion pieces that demonstrate the ability to competently deliver on all facets of a cross-media campaign. These efforts can be documented in case studies that clients and prospects can access.

Patience: These Things Take Time!

Cross-media solutions represent a major change to the customer’s business process. Unlike traditional mass-media marketing and even direct mail, these new marketing tools are game-changers and require a new way of thinking. Cross-media tools are forcing marketers to become more strategic in their planning, more integrated with sales processes, and more dynamically responsive to campaign activities. Cross-media solutions are taking marketers out of their comfort

zones. Just as it takes time for print service providers to transform into marketing service providers, it will take time for traditional marketers to transform into cross-media marketers.

According to InfoTrends' research, the entire process for selling cross-media marketing services takes an average of 5 months. This underscores the message that cross-media marketing is not an easy sell. It takes time to convince the customer and build the relationship.

Performance: It Counts for Everyone!

Until recently, it was too difficult to accurately judge the results of a specific marketing campaign or project. The customer acquisition process moved through so many immeasurable actions that marketing managers only had a general feel for what was effective. This is no longer the case. Today's software tools enable marketers to test campaigns and their various elements with real-time dashboards.

Successful cross-media service providers have learned that the best way to build a loyal customer base is to help clients measure results during the actual campaign so that modifications can be made if the offer isn't working for the target audience. This prevents clients from spending their entire budgets on campaigns that might not be effective. Performance counts for the cross-media service provider as well as the marketing executive.

InfoTrends' Opinion

The graphic communications market is undergoing a major transition to better serve customers and grow sales. In an effort to improve results, marketers are concentrating on more measurable channels. At the same time, consumers are demanding a broad variety of media options. Cross-media marketing services provide an opportunity for print service providers to win new customers and remain relevant in a changing communications world.

In today's market, mastering cross-media marketing services can be the difference between a successful company and a struggling one.

Marketers are seeking trusted communication advisors that can help them become effective in the new media world. Print providers that have successfully mastered cross-media will likely see an increase in customer loyalty and return business.

***Cross-media selling
requires dedication,
persistence, and
courage.***

About 36% of European print service providers have taken steps to transform themselves into marketing service providers. Another 28% have not yet taken any steps, but they understand the importance of making this transition. Print companies that have not already made the transition to cross-media marketing should seriously considering doing it now. While understanding of the technology and applications is important, it is as equally important to understand how cross-media marketing services are sold. Cross-media selling requires dedication, persistence, and courage—but companies that master it will be better equipped for the dynamic future ahead.

This material is prepared specifically for clients of InfoTrends, Inc. The opinions expressed represent our interpretation and analysis of information generally available to the public or released by responsible individuals in the subject companies. We believe that the sources of information on which our material is based are reliable and we have applied our best professional judgment to the data obtained.

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[Comments or Questions?](#)