

DATA, IT MATTERS

how you can upstream your business



Data, Data, Data

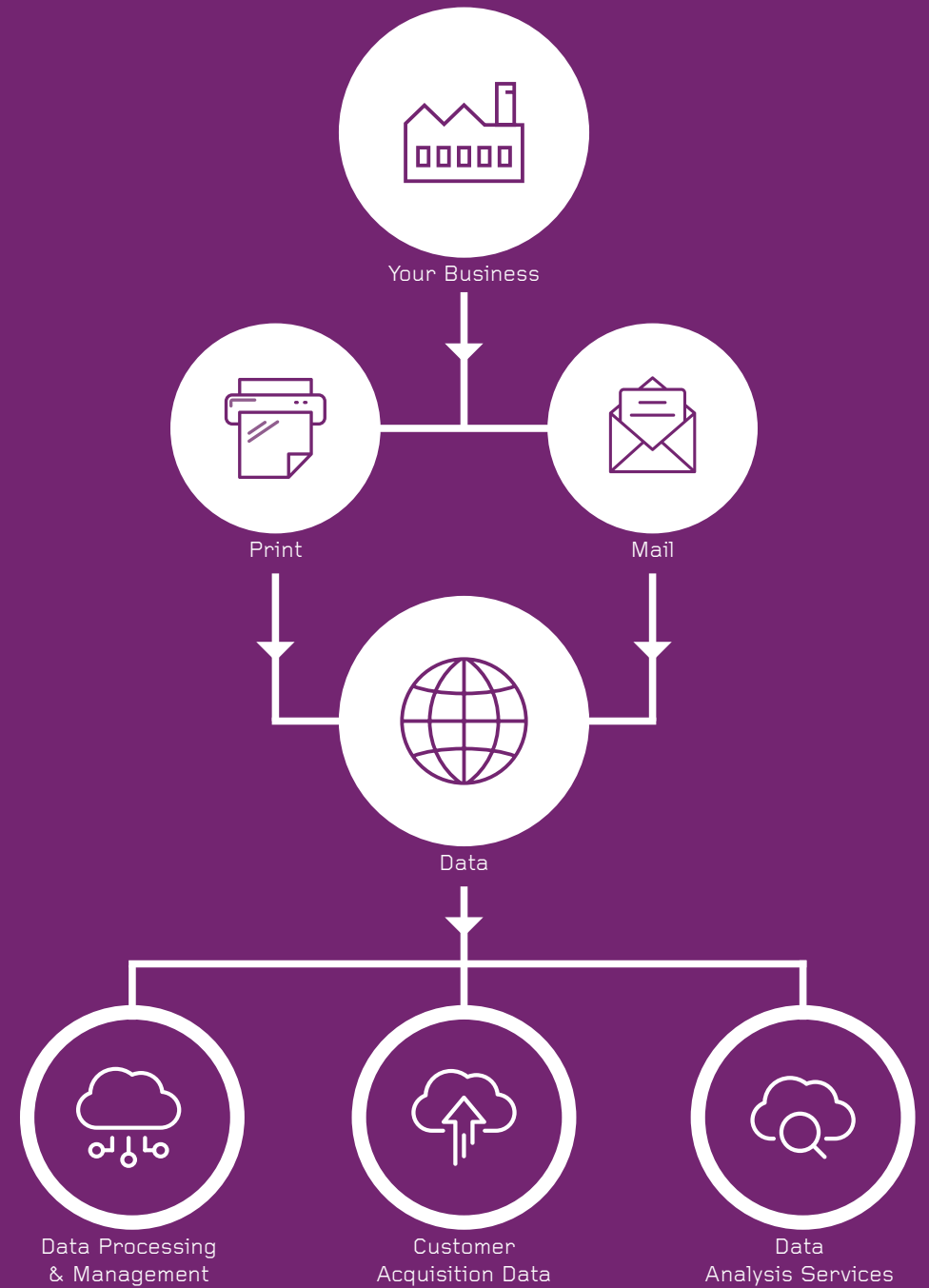
Understanding the data that feeds into your production solutions is critical and if completed successfully can play a profit-boosting role for your businesses. Exploring how customers need more support than ever to build strong databases and how you can offer this support is the first step in the data journey.

Gordon Loch, Managing Director, List Factory, holds extensive experience working within direct marketing centres on data - prospect lists, data cooperatives, real time verification, segmentation, and data analytics products. Building from this expertise Gordon created List Factory in 2006 and since then the company has grown into the largest and most comprehensive data cooperative provider for the Australian market.

- If you don't have strong data, the print quality, the creative and campaign won't work - you need to use good data management principles to ensure any print campaign is strong.
- A strong print campaign protects the ongoing revenue.
- Managing and assisting your customers with their data management provides an additional sticky point across your business engagement with customers.

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Adding Value through Data



DATA MANAGEMENT CAN BE WORKFLOW DRIVEN – SIMILAR TO YOUR PRINT BUSINESSES

First approach for a commercial print company to consider how to engage and develop a data management solution is to break the service offering into three (3) key areas.

DATA PROCESSING & MANAGEMENT

Data processing management involves managing data on a digital platform, i.e., database format.

For your business, becoming skilled in this area can provide interactive engagement (backwards and forwards in the supply chain) which can open up revenue opportunities from a single – order taking engagement relationship.

If you are managing data to a higher level of quantified and strong data, the print and mail ROI will increase which will protect your revenue. Keeping protocols across data assumptions, criteria for selections, exclusions, standards to their brand etc, provide a stronger database and more powerful tool for your customer and the campaigns you execute.

CUSTOMER ACQUISITION DATA

Customer acquisition refers to bringing in new customers - or convincing people to buy your products. It is a process used to bring consumers down the marketing funnel from brand awareness to purchase decision. The cost of acquiring a new customer is referred to as customer acquisition cost (or CAC for short). Customer Acquisition Data includes prospective customers, not always as qualified as customer data sets, however a good opportunity to build and convert prospects to customers and record stronger ROI across print and mail campaigns.

Being a strong partner across Customer Acquisition Data provides your business a deeper engagement point as your business will be able to understand the data segments being mailed with deeper insight, to assist your customers on new campaigns or streamed print tiers to expand and grow their customers.

Ideas such as, building data reports to Remail to top segments (cherry picking), build different creative solutions across the data streams you have identified, second shot, reminder packs can be very useful across re-engaging lukewarm opportunities and more. Working on these datasets and building lists for your customers across prospect areas will allow you to provide business improvement opportunities for your customers and allow you to influence which data to use to build a stronger ROI for new customers.

DATA ANALYSIS SERVICES

Data analytics is the science of analysing raw data in order to make conclusions about that information. The techniques and processes of data analytics have been automated into mechanical processes and algorithms that work over raw data for human consumption. Data analytics help a business optimize its performance.

If you can offer this service or work with supply partners to deliver this service, areas to consider are exploring customised data models using 3rd party data, look-a-like solutions – a prospect audience modelled using your data, increasing propensity to buy/donate, this is the scientific pointy end that will drive solutions to a new level across all your customers data that will improve data performance.

Not all data is alike, and there are patterns you can build upon and offer your customers the opportunity leverage from those patterns and trends.

DATA COMPLIANCE IS SERIOUS



The changes to Australia and New Zealand's privacy laws have brought the two countries more in line with each other and closer to the EU's General Data Protection Regulation (GDPR). However, there are some differences and you should make yourself aware of these in each country that you operate. The key areas of difference include:

PERSONAL INFORMATION

Australia has a special category of personal information, being 'sensitive information' which includes information about: racial or ethnic origin, political opinions, religious or philosophical beliefs and affiliations, sexual orientation or practices, criminal record, health information, genetic information, biometric information and other particular information.

The New Zealand Privacy law has a similarly wide definition of personal information — although it does not include opinions like Australia's definition does and it does not have a separate category of sensitive information to which special restrictions apply.

PENALTIES

Penalties in Australia under privacy legislation can be much more severe than those in New Zealand. In Australia individuals can face penalties of up to AU\$450,000, while fines for corporations can be as high as AU\$2.1 million. In New Zealand however, fines under the Privacy Act only go up to NZ\$10,000, with the option of referring matters to the Human Rights Tribunal which can award damages of up to NZ\$350,000.

EMPLOYEE RECORDS

The Australian Privacy Act contains a special exemption for employee records which provides that personal information about an employee, held by an employer, is exempt from the Australian Privacy Principles. This exemption does not exist in New Zealand and employee records are subjects to the same requirements as all other forms of personal information.

PRIVACY PRINCIPLES

While there is significant overlap between the Australian privacy principles (APPs) and New Zealand's information privacy principles (IPPs), there are some areas which are covered in either the APPs or IPPs, but not in the other. For example — restrictions on use of unsolicited personal information and use of personal information for direct marketing are provided in the APPs, but not in the IPPs. Additionally, the principle in relation to unique identifiers in Australia (APP 9) only restricts how and when private organisations can use government issued identification numbers, while in New Zealand, IPP 13 restricts the use of any unique identifiers.

Source: *Jennifer Hubby, Partner and Michael Graziano, Law Graduate.*

HOME SHOPPING



The 'Home' has never been a bigger or more engaged audience for online or home shopping. Australia and New Zealand online retail is a significant growth area with Ibisworld reporting New Zealand tracking a 14.6% increase and Australia a 35.3% increase.

This growth, particularly with pure plays, is a terrific opportunity for print and mail as these channels provide a physical presence for online retailers.

Things to look to and discuss with your e-customers include:

- > Ability through delivery to include the next print brochure or seasonal range in their deliveries
- > Rich datasets as people issue their data to receive their goods – this can lead to very strong data analytics and trend or pattern development

- > Plenty of research to support Home Shopping Growth across Australia and New Zealand to build your case study library and expertise
- > Existing and sporadic use of catalogues and direct mail already used by competitors
- > US and UK experience and trends across online retailers entering the Australian and New Zealand markets
- > Case studies consistently show customers acquired through direct mail using transactional data:
 - spend more, purchase more items per order
 - Purchase more frequently (loyal)
 - Are slightly older (new prospects with disposable income)
 - Are different types of customers in general to standard customer
- > For "Pure Plays", catalogue channel opens up a new, more profitable customer segment and a physical presence to balance digital



BOOST YOUR PROFIT WITH DATA

- > Upstream your business and engage your client in a two-way discussion, move from single order taking to a partnership.
- > Increase profitability through building new datasets, campaign ideas and streams across creative, sales offerings and more.
- > Build your revenue protection opportunities with strong data management solutions.
- > If your customer's ROI and profitability improves from what you produce for them, you will also increase your ROI and profitability for that client.

PROFIT BOOST YOUR BUSINESS WITH DATA



Always exploring opportunities to grow your business revenue and profitability is a given, understanding a new workflow to add to your business services is never easy, however data management and services is a seamless marriage which if managed well can build stronger engagement with your customers.

- > Broadening your relationship with your customer from a single order-taking relationship to a two-way partnership is key to protecting revenue and building value.
- > Aligning workflow and processes of your business with new service offerings, such as data management, build your profitability.
- > Increasing your customer's success on the campaigns you produce will lead to more campaigns, more partnerships and more opportunity for your business.
- > Consider engaging an analyst or working with a supply partner and build data management solutions into your business – you won't look back.

Q & A

If this was something I was looking to engage across my commercial print business, would I need to employ a business analyst or data expert or could I rely upon supply partners and using existing pre-press teams/creative?

It really depends on your risk profiles. If you see it is a great opportunity, then invest up front. There are plenty of suppliers out there that you could test something with first and go forth if the business case proves valued, or you can switch to an internal business analyst if not. It's a horses for courses conversation, it really does depend on where you can start, and where you want to end.

The concept of a more engaging relationship with customers is appealing. Do you find customers resist having a producer or printer manage their data or do they issue separate tenders and procurement processes in this area or is this an industry norm and acceptable to customers?

The majority of big suppliers and/or clients will in-house it. The smaller, more agile ones, particularly those that have already out-sourced parts of the development process, they are more likely to consider outsourcing all or most of their needs. It depends on the business that you are talking to. Charities are generally under-resourced, they are most likely to need the help, they simply don't have the resources. There is a difference between the smaller agile entities to the bigger corporations in terms of their appetite to outsource.

The UK seem to be better performers across the mail channel, is that a trend you think will come to Australian and New Zealand shores?

So this leads to the age old question "What response rate should I expect?". That's a very difficult question to answer. It really depends on the mailer, and what results are being achieved. The UK are doing very well in the catalogue and mail sectors, well ahead of Australia, especially in the e-commerce and online shopping respective. They have many examples of doing very well, and so does Australia, however, the UK are very good at presenting HOW they are doing. Perhaps we're just a little behind the UK in terms of maturity there.

Are there any certifications or credentials my business needs to have across data management to build credibility?

Yes and no. Credentials wise, if you're looking at doing large data management, then yes, you will need the credentials, and yes, you will need to pay for them, like ISO standards, which can get expensive. However, so long as you are meeting the specific criteria and rules, you don't necessarily need the credentials to do things like data services, de-duplication, for example. So long as you have robust data transfer protocols in place, you should meet the basic requirements to securely send and receive customer data with your clients.

In regards to large or mass mailings, would you recommend more streams or data tiers, whilst maintaining the larger overall volumes or do you recommend running smaller bespoke mailings at different times as a rule?

This really comes down to test and learn. If your test of a big campaign shows that it really didn't perform that well, you need to go back to the granular data and understand the segments within it. Understand which parts to use and which ones to discard. Test, learn, test, learn, rinse, repeat. Always go back to the data and keep looking at what's working, and what's not.

The majority of direct mailers will look at their response rates and go back through their data. Some will look at it specifically, by cell or keycode for example, others will simply look at list selection, and understand which lists are working and which ones aren't. Refine your tiers on the response rates you receive. The technology is there, we just have to influence and systemise its use.

TEST
LEARN
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LEARN
RINSE
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NOTES

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