



# **Increasing Marketing ROI and Sales Channel Productivity with Marketing on Demand Portals**



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# Increasing Marketing ROI and Sales Channel Productivity with Marketing on Demand Portals

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# Increasing Marketing ROI and Sales Channel Productivity with Marketing on Demand Portals

## Executive Summary

### *Self-service portals deliver benefits on many fronts*

Companies that sell their products through multiple sales channels—distributors, brokers, field sales forces, dealers, VARS, franchisees—face many challenges when it comes to supplying these sales partners with impactful marketing and advertising tools to drive sales. Examples include: product brochures, spec sheets, catalogs, print advertisements, direct mail postcards, promotional announcements, and newsletters.

Keeping this collateral updated while managing the fulfillment of requests consumes marketing budgets and staff time with manual processes, taking time away from more important strategic matters. For certain industries, additional complexities arise in maintaining collateral that is compliant with federal and state laws. With so many varied partners, both large and small, spread all over the world, policing partners to uphold brand standards in their local marketing efforts presents many challenges.

The Internet and advances in variable data digital printing technology have spawned new marketing automation service platforms designed to streamline administrative processes, to reduce costs, and to increase the ROI of marketing campaigns. As Web-based, “software-as-a-service” portals, these marketing on-demand portals (MOD Portals) allow sales channel partners to place orders, on-demand, for customizable, digitally printed collateral, direct mail, and other marketing support material that a corporate office makes available to its partners. Variable data printing functionality can be used to dramatically improve response rates and ROI for local direct mail campaigns, providing customers and prospects more highly targeted messages and offers.

## The Challenges of Supporting Global Sales Channel Partners

### *Shortened product life cycles*

No matter what combination of sales channel partners a company uses to sell its products—distributors, field sales, VARs, brokers, franchisees, agents—one thing is certain: they all need up-to-date marketing collateral to drive sales. Good salesmanship is not enough. Shortened product life cycles, changing compliance regulations, and globalization make the job of producing and managing the timely distribution of accurate collateral a logistical headache for marketers, consuming both staff time and costly ancillary services of outside vendors.

### *Fulfilling varied needs of field sales employees and global sales partners*

Sales channel partners need sales and marketing tools to increase their productivity and to empower them to successfully sell your products and services in their local markets. Faced with competing product lines to sell, independent brokers and distributors naturally push the products of the companies that facilitate their jobs of selling. Certainly, a distributor in Shanghai will be much more likely to sell a manufacturer's product line if sales literature is provided in Mandarin over those that simply provide what is available in English.

Franchisee owners need localized collateral, direct mail programs, print ads, and POS material. An independent financial planner that sells investment products of large financial services firms needs product brochures that speak to the specific financial needs of his or her customer base with content that meets state and federal compliance regulations. Different sales tools are needed to achieve different sales objectives—for example, lead generation for acquisition and loyalty programs for customer retention. Each industry has its own needs in providing the right mix of product literature and direct mail programs for customer acquisition and retention.

### *Controlling Brand Consistency*

With so many different marketing outposts to support, corporate marketers can easily lose control over maintaining brand consistency and upholding corporate identity standards. Corporate marketing executives are all too familiar with what tends to happen when, for example, field sales employees lack the right sales material: they make up their own. Whether cut and paste graphic design techniques or grammatically incorrect or non-compliant copy are being used, the resulting creations horrify CMOs. In a recent survey, 64% of corporate marketers listed control of brand consistency as a major problem and reason for seeking new automated solutions.

### *Do More with Less*

Finally, marketers are under increasing pressure to do more with less and show accountable returns on marketing budgets. Internal sales support staff and outside vendors that are used to create and manage sales partners' requests for support can quickly consume a marketing budget, leaving little for developing new acquisition programs. Any solution that reduces the overall costs of developing, managing, and producing marketing collateral is welcome by any organization.

#### COMMON PAIN POINTS

“Half of my staff's time is spent fielding specialized requests from distributors.”

“We publish brand guidelines but no one sticks to them.”

“I wish I could provide my overseas distributors product brochures in their native languages.”

## The Benefits of Marketing on Demand Portals

### *Shifting print paradigm*

Before the Internet and digital printing, the de facto standard for marketing collateral order management has been what is referred to as the Offset Print Model. Under this model, companies design and offset print primarily static collateral pieces (versioned brochures being only possible with expensive plate changes). The print runs are shipped from the offset printer to a fulfillment warehouse. Sales channel partners then place orders for them through corporate sales offices or directly from a fulfillment warehouse.

Waste (both monetary and environmental) typically results from this practice. With offset, the natural tendency is to order more than is needed. Small print runs (typically less than 2,000) are prohibitively expensive due to the high set-up costs of an offset press. Unit costs drop dramatically with higher print runs, so the tendency is for marketers to over order. After all, no one wants to repeat the expensive process of going back to press.

Creating the potential for further waste, mergers, product changes, and rebranding can all quickly render sales collateral obsolete. For large organizations, it is not uncommon for pallets of marketing collateral to be discarded due to these changes. There is also the environmental toll if recycling is not in place. In fact, a study by CapV, a management consulting firm, backs up this claim, concluding that, on average, 30% of printed marketing collateral is never used.<sup>2</sup>

### *On-demand, just-in-time ordering reduces print expenses and carrying costs*

Manufacturers have embraced just-in-time inventory strategies because it reduces warehousing and carrying costs. Rather than tying up capital in large quantities of parts inventory, parts arrive “just-in-time” at the time they are needed in the assembly process.

The same cost-saving rationale can be applied to collateral management using MOD Portals. Warehousing and carrying costs (particularly capital tied up in brochure inventory) are eliminated because collateral requests are printed on-demand. Sales channel partners simply log-in at anytime to an e-commerce type portal (See *illustration 1*) that allows them to “shop” and place orders for collateral whenever it is needed. A variety of payment and charge-back options can be made available depending on the relationship.

All collateral is digitally printed and fulfilled through one or a network of print providers, taking advantage of favorable economies for shorter print runs over that of offset printing. With immediate online proofing and automated job submission workflows, production lags associated with offset printing are eliminated. Over the past 10 years, the manufacturers of commercial digital presses (Xerox, HP, Kodak) have invested hundreds of millions of dollars in 4-color digital print technology. The result of this combined R&D has catapulted the quality of digital printing to the point where it is nearly indistinguishable from that of offset.

According to PODI, companies that adopt this print on-demand model experience an average 20% savings in print costs alone because channel partners only order what they need and print costs associated with obsolescence are eliminated.<sup>3</sup>

— **30%** of printed brochures never end up being used due to obsolescence and over ordering.<sup>1</sup>

#### Illustration 1

Users log-in to branded portal.



## The Benefits of Marketing on Demand Portals

### Illustration 2

User selects template and customizes it with local contact information and uploaded logo.



### **Self-service collateral customization and direct mail options bring added value**

Customization options can be built into the collateral templates that marketers make available. *Illustration 2* demonstrates how a distributor can easily localize a product brochure by uploading its logo and typing in local contact information. Once the customization options are completed, a PDF proof is generated for final approval before the order is placed.

MOD portals make it easy for local sales partners to order professionally developed direct mail campaigns without becoming direct mail experts. After making customization selections to a direct mail template, the user uploads his mailing list before the final order is placed. The print supplier handles all mail processing, including postal presorting and CASS certification if volumes warrant. Business-to-business databases, such as D&B and Info USA® can also be integrated into the portal to make lead generation campaigns easier to execute.

### **Reduction in marketing administrative expenses**

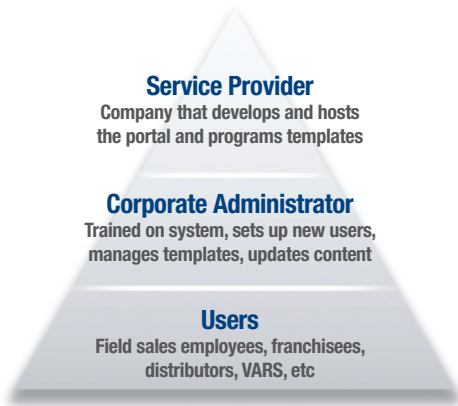
Managing and fulfilling requests from dealers and franchisees for localized collateral and print ads can eat up a lot of staff time. Indeed, in many large corporations this is a permanent cost center within their marketing departments. By eliminating many manual processes associated with fulfilling orders, a marketing automation system can cut these costs by as much as 25%.<sup>4</sup> The do-it-yourself, e-commerce nature of the system makes it easy for clients to log-in and select the material they need without the hand-holding of corporate marketing staff. The technology platform takes care of all sizing requirements (particularly important for newspaper print advertisements), and pre-media preparations to make the files print-ready. Printing can be accomplished through a single vendor or through a network of geographically dispersed digital printers. Alternatively, print ready PDFs can be created so that local printing resources can be used. This alternative eliminates shipping costs and can cut days off of fulfillment turnaround times.

### **Reduction in design costs**

Companies that have multiple yet similar product models can save on design costs by designing one brochure template that can accommodate many models. The online templates are programmed to pull in the appropriate images and content based on the brochure selections of the users. Corporate administrators of the portal can easily update content and images themselves, saving time and money paid to designers. Digital assets (photos, content blocks, charts, graphs, etc.) are digitally tagged and stored for dynamic placement in the collateral being made available. This can save companies as much as 60% annually by reducing the need for internal or external graphic design services.<sup>5</sup>

## The Benefits of Marketing on Demand Portals

### Administrative Hierarchy



### *Control of brand identity standards*

Companies have a lot invested in their brands. MOD Portals automate the enforcement of brand guidelines, eliminating the risk that your sales channel partners will use inappropriate copy and images. Channel partners typically “improvise” when the right sales material is not readily available. The single portal allows channel partners to get professionally developed sales and marketing tools quickly and easily, creating a win-win for both corporate and field offices.

### *Management of regulated content*

Managing regulatory content requirements across different states can be a burdensome management obligation for certain industries. Programmable templates automate the process, ensuring that all sales channel partners are in full compliance when ordering product literature.

### *Increased ROI of marketing programs*

MOD Portals give corporate marketers the option of providing data-driven direct mail programs for sales channel partners. Data-driven programs combine customer and prospect data (transactional, demographic, competitive usage, etc.) with pre-programmed templates with if-then logic to deliver highly relevant content and offers that substantially increase response rates and decrease sales closing cycle times. Design templates are programmed to pull-in not only the appropriate copy blocks, but also images that relate specifically to the targeted recipient. An auto dealership, for example, could use the information it knows about its customers (model, date purchased, last servicing, etc.) to build highly targeted promotions simply by selecting a direct mail template and uploading its customer data file. To create a highly personalized effect (and thereby increase response), the mailing could show a picture of the recipient’s car model and year.

# Implementing a MOD Portal

## COSTS TO GET STARTED

### ▼ Set-Up

A branded portal with basic functionality can cost as little as \$5,500 for set up. This usually includes programming of 2-3 templates. Portals with customized functionality, such as integration with e-mail marketing programs, can range from \$20,000 to well over \$100,000 depending on complexity.

### ▼ Monthly Hosting

Primarily a function of how much space your collateral will take up on a server measured in megabytes. Monthly hosting fees generally start at \$300.

### ▼ Template Uploading and Programming

Programming rates generally start at \$175 per hour. The number of customization choices for a brochure impact time as well as complexity of business logic for data-driven direct mail campaigns.

As with any new technology whose deployment and usage cuts across different fiefdoms, it is important to have a well thought out strategy in place. Here are 5 points to consider in developing that strategy:

#### ***1. Clearly identify the problem you are trying to tackle.***

For external users, it is best to get this information straight from the horse's mouth—your sales channel partners. After all, part of implementing such a program is to make their work more productive. An online survey is an inexpensive way to collect input from partners to identify their frustrations and the shortcomings of your existing program.

#### ***2. Crawl before you run.***

This maxim holds particularly true for MOD portals. Start with an easily implementable system with good scalability as your starting system. As you learn more and get input from sales partners, you can incrementally add functionality.

#### ***3. Involve stakeholders early on.***

IT, senior marketing management, and sales channel partners all need to be part of the problem assessment and solution identification process early on. Once the benefits to these stakeholders have been sold, you will receive their cooperation in getting it implemented more swiftly.

#### ***4. Gain field adoption by investing in the right marketing tools.***

Lead generation, cross-selling, customer retention, low awareness—to engage your sales channel partners with the proper tools, you need a thorough understanding of their needs. Research them well and enlist the services of a marketing agency that can develop strong tactical programs. One thing is certain: mediocre programs that do not address real needs or do not produce sales will not be embraced by your channel partners.

#### ***5. Gain field adoption by investing in training.***

Invest early on in training your sales channel partners both on the benefits of using the system and on how to use the system. After all, widespread field adoption will bring faster payback.



## **New Technology Brings New Terminology**

Some new technologies defy simple descriptions that can be easily categorized. Nowhere is this more prevalent than with marketing automation systems. Below are categories of inter-related, yet distinct, technologies and terms that come up in discussions of marketing automation.

### ***Web-to-Print.***

Web-to-print refers to a commercial pre-press process for selecting, proofing and ordering printed material online similar to an online storefront made up of templates. Oftentimes, it is associated with Web-based services (e.g., VistaPrint) that provide basic pre-designed templates of printed products used by consumers and small businesses (greeting and business cards, stationery, postcards, etc.).

### ***Print on Demand or On-Demand Printing.***

Print on demand is an application of Web to print technologies. It refers to the ability to order print material from a print vendor on-demand. Most often it is associated with digitally printing relatively small quantities of printed material when needed, in contrast to offset printing wherein large quantities are printed at one time.

### ***Digital Asset Management (DAM).***

Technology platform that stores and manages digital assets for corporate-wide usage. Within marketing, these digital assets include primarily photos, marketing copy, video, and rich media files. DAM solutions integrate with creative tools to support data-driven publishing.

### ***Marketing On-Demand Portals (MOD Portals).***

MOD Portals provide companies with Web-based solutions for satisfying the varied local marketing needs of their sales channel partners. Integrating elements of the above platforms, they provide a branded portal for sales channel partners to order, on-demand, customizable collateral, and data-driven direct mail campaigns. Portals offer a wide range of functionality, ranging from basic to highly customized versions that can incorporate e-mail offerings.

## About RI Communications Group



RI develops and hosts web-based marketing on demand portals for companies with distributed marketing partners, including AIG SunAmerica, Prudential, International Paper, among others. Its digital print and mailing capabilities provide fulfillment of all collateral ordered online. Being an early pioneer in implementing Web to Print workflows, it launched its own portal utilizing its own proprietary technology back in 1999.

RI also develops and executes data-driven, multi-channel marketing programs that help companies like Disney Resorts acquire new customers and increase sales from existing ones. Development of these programs involves a 3-step process: data analytics; strategic and creative program development; and delivery of integrated campaigns through print, Web, e-mail and mobile channels. By gathering and analyzing data about customers and prospects (past purchases, cine, age, company size, etc), RI creates more relevant content and offers that increase response rates and overall marketing ROI.

### ▼ Footnotes:

- 1 Cost of Business Communications: A look at the Business Document Lifecycle. CapVentures. November, 2001.
- 2 Cost of Business Communications: A look at the Business Document Lifecycle. CapVentures. November, 2001.
- 3 Collateral Management Value Calculator. Caslon & Co. November, 2006.
- 4 Collateral Management Value Calculator. Caslon & Co. November, 2006.
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