

# Marketing Communications Demand Creation: Marketing Executive Study

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A Research Monograph of the  
Printing Industry Center at RIT

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## With Thanks

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# Executive Summary

For the past several years, many graphic arts industry analysts and market research firms have predicted that the growth of digital color and variable data is about to explode. So far, however, growth has failed to meet market expectations. Several hypotheses are associated with the subdued market growth. The following factors are most frequently cited:

- Lack of a strong value proposition for digital color and personalization. Contributing to this is the relatively low incidence of documented ROI metrics for digital color or personalization for marketing materials.
- Limited availability of accurate data for targeted or versioned marketing campaigns. If the data do exist, the cost associated with transforming data into a usable form is high.
- The migration to electronic media options for direct communication with customers.

As part of the investigation into adoption of digital color printing technologies, the Printing Industry Center at RIT embarked on a research initiative to gain an understanding of the relationship between the agency, corporate marketing executive, and print services provider. This report focuses specifically on how instrumental the corporate marketing executive is in initiating the demand for marketing materials that require digital printing.

Specific research objectives for this study include:

1. Defining the dynamics between the corporate marketing executive, the printer, and the creative agency rela-

tive to media decisions and campaign direction.

2. Understanding how media are selected and how print media are perceived and used within corporations.
3. Evaluating the corporate marketing executive's level of digital printing technology and that individual's current use of 1:1 communications solutions.
4. Understanding how database technologies are currently used within corporations and to what extent these technologies are integrated into corporate printing capabilities.
5. Defining the measures for campaign effectiveness utilized by marketing executives today.

A sample of 1,999 unique records was randomly selected from the Dun and Bradstreet list. They were contacted by phone and asked to participate in a 20-minute interview. Of the 205 completed interviews, there were 55 financial services firms, 100 manufacturing firms, 21 retail firms and 29 firms classified as "other."

## CORPORATE MARKETING DEPARTMENTS: THE ADVERTISING BUDGET

In a difficult economy, one of the areas of greatest scrutiny in corporate America is the marketing budget. This should be good news for the world of digital printing, customization, and personalization. Corporate marketing executives need to maximize the ROI of each marketing dollar spent. The marketing

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executives surveyed spent significant dollars on marketing communications, with annual expenditures equating to an average of 6.9% of corporate revenues. Respondents indicated that mass print advertising comprised 35% of expenditures in the preceding year, followed by sales collateral (16%), Internet-based activities (14.5%), and direct mail (14.1%). Digital print technologies could have a direct impact on 30% of the budget allocation (sales collateral and direct mail) by providing improved customization and enhanced targeting.

Marketing executives with reduced marketing budgets and with ROI pressure are looking for proven techniques that will help them achieve better business results. When executives were asked why they initiated change in the media mix, 11% indicated that the change was designed to reach new markets, and 10% indicated its primary purpose was to save money. Many of the firms surveyed also increased activity in direct mail (12%), e-mail marketing (10%), and printed materials (9%). Creative cost-effective solutions will appeal to the corporate marketing executive and ultimately drive digital color growth. We are seeing several examples of this in today's market. While the marketing budget is dispersed across several different media, sales collateral (16%) and direct mail (14%) made up an average of 30% of total spending.

United Stationers, the largest U.S. wholesale distributor of business products ranging from office supplies to furniture, developed a direct marketing and sales-collateral management program called Star Club. This easy-to-use Web interface tool for the company's network of more than 5,000 dealers enables the dealers to create full-color customized brochures and mailers online and print them on a digital color output device. The objective of the program is to better manage collateral costs, to add new customers, and to grow existing customers as well as reactivate inactive customers. It is more than just a "pretty" customized marketing piece. Dealers report response rates of up to 35% since the program launch.

IBM offers its value-added resellers a similar Web-based system called Campaign Designer. The value-added resellers can clearly iden-

tify the benefits. IBM Business Partner David Gimza from SoftSmith Systems stated, "It was so easy and our savings of time and money was huge, just huge with Campaign Designer. We created something in about 15 minutes that could have literally taken months to produce and would have cost a lot more money than we paid. Three days after the [Campaign Designer-based] mailing we did some telephone follow-up. We uncovered an IBM ThinkPad lead and won a \$150,000 sale by being in the right place at the right time thanks to this campaign" (IBM).

York UPG, one of the largest independent supplier's of heating, ventilating, air-conditioning, and refrigeration equipment in the U.S. and abroad, uses a solution called Build-A-Brochure(tm) from JGSullivan Interactive. Using the Build-A-Brochure(tm) application, York dealers are able to produce customized marketing content. They create their own custom headlines, insert their customer's name, add contact information, and have the ability to select from a variety of company and product images. The marketing objectives are simple. York wants to reduce printing and paper costs; offer fast and timely delivery; ensure up-to-date, accurate product and service information; and enhance customer relationship management (CRM) with personalized, individually tailored marketing pieces.

## CRM AND THE TECHNOLOGY INFRASTRUCTURE

CRM is at the core of any customer-focused business strategy and includes the people, processes, and technology associated with marketing, sales, and service. In today's hyper-competitive world, organizations are pursuing CRM solutions to present a common view of the customer across the organization. These systems are designed to integrate information systems and contact center implementations that allow the customer to communicate via any desired channel. The implementation of CRM solutions is the infrastructure catalyst that will drive the growth of personalized digital print solutions.



Historically, CRM investments have occurred in a very narrow market. Because of the enormous implementation costs associated with enterprise-wide CRM projects, they were limited to Fortune 1000 companies. CRM spending by small and medium-sized businesses is expected to exceed that by larger enterprises in the future, partly because of newly available pricing and software architecture models. Vendors like Seibel, PeopleSoft, and Oracle are developing less expensive versions of software and moving into the mid-size-company market. This will allow more businesses to afford CRM solutions and improved data-gathering techniques.

The Printing Industry Center data indicated that CRM systems were not prevalent; only 21% of respondents indicated that they had CRM systems in place. Even if relationship marketing goals were present, the infrastructure was still too weak to support implementation. The respondents were asked to indicate if they maintained a customer database. Ninety-four percent of respondents maintained a database internally, and almost half of the respondents (48%) updated their databases daily. There was no consistency in the software applications used to manage customer data. Respondents identified more than 160 different software applications that were in use for customer data management.

CRM implementation weaknesses became apparent when respondents were asked how they populated database information. The most frequent response, at 79%, was manual data entry via paper forms. Fifty-eight percent of the respondents used telephone sales call center data. Web site data capture was used by 48% of respondents.

## WHERE DOES PERSONALIZATION FIT?

Limited implementation of CRM systems links directly to the marketing executive responses on personalized campaign management. Seventy-five percent of respondents indicated that they used personalization in their marketing campaigns. In the preceding year, approximately 25% to 30% of the campaigns included personalization. The disappointing aspect of the vari-

able-data results was that 50% of the production jobs were a simple mail merge, and 19% combined address and numerical data in fixed fields. Only 8% blended variable text, numerical data, and graphics.

Corporate marketing executives were asked to identify the areas where personalization would have the highest potential impact. The top two were improved response rates and enhanced customer retention. Achievement of these objectives requires development and delivery of an offer that is relevant and differentiated in the eyes of the consumer. The document services provider will need to demonstrate how digital color solutions and personalization can deliver a relevant value proposition that increases response rates and improves customer retention.

Obstacles to personalization persist in the market. Respondents identified key issues related to inadequate customer information on their customer base and information acquisition; lack of resources for implementation, cost, and technology limitations. Effective customized communication implementation starts with good data. Information needs to be gathered from all relevant departments in the analytical process. Internal departments often retain traditional boundaries and can be reluctant to share information across those boundaries. The sales organization frequently fails to collect the customer data essential to driving marketing initiatives. Customer service may not collect information critical to customer retention. Companies do not always see data quality as an important consideration in delivery of the CRM projects that will ultimately drive relevant personalized communications. The critical issue for digital document services providers is the time required for corporations to build the information base.

## RELIANCE ON THE AGENCY: THE MARKETING EXECUTIVE PERSPECTIVE

Many firms rely on advertising agencies to assist with the planning and implementation of marketing campaigns. Only 53% of those surveyed indicated that they had used an agen-

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cy in the past 12 months. Of these, 70% were using agencies on a project-by-project basis, while 30% worked on retainer. Corporate executives were asked if they provided direction to or took direction from agencies on campaign strategies. Sixty-five percent of the corporate marketing executives indicated that they provided direction, 2% took direction, and 32% collaborated with the agency. These results suggested that educating the corporate marketing executive on media options and digital technology is critical. When asked if they had been shown samples of communication materials demonstrating the new printing technology, only 36% reported that they had. Based on our findings relative to the limited number of retainer relationships, it was clear that the many corporate marketing executives define the projects and outsource implementation to agency resources.

The marketing executives were asked what services they outsourced to agencies. The leading responses included advertising production (58%), creative development (49%), graphic design (42%), media buying (35%), and sales promotion/collateral development (32%).

## WHEN TO USE PRINT MEDIA AND WHY?

Today's corporate marketing executives are faced with a vast number of media options. As recently as 10 years ago, businesses had only print, TV, and radio as communication outlets to the masses. With the growing availability of wireless and Internet technologies, communication options now include PDAs, electronic billboards, blimps, cell phones, and even gas-station pumps. Marketing executives realize that a critical objective is to utilize media to more effectively target defined audiences and communicate frequently updated information and promotions. More than ever, the use of multimedia and cross-media strategies is critical to successful business communications.

Marketing executives were asked when they used print media for specific marketing activities. They felt that print was most effective for new product introductions (62%), promotions

and special offers (42%), improving brand awareness (41%), and sales support materials (41%).

## The Print-Buying Decision Process

The survey of corporate marketing executives clearly demonstrated that these executives play a major role in the print-buying decision. Thirty-six percent of the corporate marketing executives surveyed indicated that the agency purchased print on their behalf, while 64% used their internal corporate procurement function for this purpose. Of the firms for which the advertising agency purchased printing, 43% said the final printer selection was a joint decision, and 31% indicated that they left the decision to the agency.

Corporate marketing executives were also increasing utilization of in-plant print shop resources as internal skill levels and technology improved. One-third of the respondents outsourced all of their print; 32% did the design work in-house and outsourced the print; and 28% tried to utilize in-house print resources wherever possible, outsourcing only particular print processes. Regarding collateral, 43% of respondents reported that they are increasing the amount of collateral printing in-house due to the new design and printing technologies available to them.

Another significant trend has affected the way companies buy print: most companies are consolidating the number of suppliers they deal with. Respondents indicated that they worked with an average of three printers and had relationships with these printers for at least two years.

Marketing executives also identified key factors (ranked from 1 to 10) that they considered when selecting a print services provider. Based on the pressure that the marketing executive is under to meet deadlines and deliver a quality product, the first priority was dependability and the second was quality. Ease of doing business and turnaround time ranked third and fourth. Price was fifth on the marketing executives' list.

## HOW ARE RESULTS MEASURED?

The results of campaigns were most frequently measured by corporate marketing (75%). Thirteen percent of the time there was a collaborative effort by both the agency and the client, and 10% of the respondents used a third party.

There was little consistency in how success was measured. The number of sales leads was the most frequent measurement cited by respondents, at 50%. A change in sales was the second most common response at 49%, and the response rate for a direct-mail piece followed at 47%. At a time when marketing budgets are being challenged, developing the right metrics and communicating those metrics at the senior executive and board level is critical.

## LESSONS FOR THE PRINT SERVICES PROVIDER

The major message for the print services provider resulting from this research is that focus on both the corporate marketing executive and the agency is essential to business expansion and the continued growth in the digital color market. Companies are using agencies on a project-by-project basis more often than on a retainer basis. This means that they are providing significant direction on the media-buying decisions. However, in some instances, the corporate marketing executive delegates the print-buying activity to the agency.

The print services provider needs to consider these key points in developing a relationship with the corporate marketing executive:

1. The print services provider should be encouraged that an average of 6.9% of corporate revenue is spent on marketing communications. Of those expenditures, approximately one third of the budget is spent on either sales collateral or direct mail. Digital color and expanded document services can have a direct impact on these two application areas. However, this is a double-edged sword. Forty-three percent of corporate marketing executives report that they are printing more collateral in-house due to new design and production capabilities.
2. The print services provider needs to link its solutions with the objectives that are most important to the corporate marketing executive. Key reasons for switching to different media included the ability to reach new markets or to reduce cost. The print services provider must demonstrate that digital color is the most cost-effective alternative for successfully reaching target markets. The value proposition needs to be succinct and backed with quantitative examples showing how the technology has yielded a return on the marketing investment.
3. In identifying high-potential corporate opportunities, the print services provider should focus efforts on firms that are committed to CRM solutions. While their CRM systems may not yet be fully implemented, in the long term these organizations will offer higher levels of potential for targeted campaigns.
4. The print services provider needs to understand the print-buying process. In some instances the corporate marketing executive makes the print purchase decision. There are also occasions when the agency takes the lead in print buying. The printer will need to look at the total decision-making structure to understand how best to approach an account.
5. Print services providers should ensure that as they work with corporations on campaigns, success metrics are in place. A demonstrable ROI will provide corporations with a greater justification for buying marketing programs that are customized or versioned.
6. Relevant personalization, beyond simple mail merge, is not widely used. As part of the corporate market-

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ing education initiative, the print services provider should have examples of campaigns that have yielded results. Lack of quality data is the biggest single obstacle to successful campaigns. To the extent that the print services provider can assist with gathering data on customers or prospective customers for campaigns, the market can accelerate.

7. Print services providers need to understand that price is not the key determinant in vendor selection. While the print services provider must be competitive, it is far more important to demonstrate dependability and quality.

## HOW SHOULD THE SUPPLIERS OF PRINTING EQUIPMENT AND SOFTWARE HELP?

Printing industry equipment vendors want to support print providers in volume-building activity. As noted above, the amount of marketing dollars spent on collateral and direct mail represents significant page-volume opportunities for the digital print user base.

The equipment vendors need to support market development activity, with emphasis on:

1. The vendors need to support market development through the publication of case histories that link the value of digital color technology with a return on marketing investment.

2. Appropriate educational events and trade publications should be identified for reaching the corporate marketing executive. Vendors should participate in building awareness in these venues.
3. Tools to simplify implementation of customized communications programs need to be developed. This is particularly important in linking printing applications to common internal database marketing applications.
4. Equipment delivered to the market must be able to satisfy the agency and marketing executive requirements for dependability and quality. The print services provider must have appropriate samples and statistical data to help communicate the fact that digital printing is dependable and that it offers quality without excuses.

This is a time of great change in the world of media. The industry has weathered change in the past and has not only survived but also thrived on it. While marketing budgets are being challenged in today's economy, marketing executives are looking for efficient ways to communicate and share business information. The use of digital technology is going to be critical in the media mix and, if managed successfully, will offer opportunities for revenue and business growth.

# Introduction

The demand for personalized printed marketing materials is influenced by two important types of print customers: the marketing executives of manufacturing or service firms and the advertising agencies that help them plan their communication strategies. The purpose of this research is to examine the role of the marketing executive in the demand for these materials. The role of the advertising agency is explored in another research monograph published by the Printing Industry Center at RIT, entitled “The Advertising Agency’s Role in Marketing Communications Demand Creation” (PICRM-2003-05).

The demand for personalized print communication by marketing executives is determined by the presence of three critical factors: the use of a relationship marketing strategy, the availability of the appropriate customer information within a firm, and the perception of the effectiveness of print versus other forms of media for delivering marketing messages. This introduction will present an overview of each of these factors. The section will conclude with the research objectives for this study.

## Use of Relationship Marketing Strategies and Database Marketing Tactics

The goal of many CRM initiatives is to build a relationship between a business and its customers. This will lead to improved retention rates, higher repeat purchase behavior, lower propensity to switch, and, ultimately, higher profits (Reichheld, 1996). One tangible manifestation of the commitment to a relationship marketing focus for the organization is the use of a CRM system. Once thought of as just a technology solution, CRM has evolved into a customer-centric philosophy that permeates an entire organization. The best CRM systems connect information from all data sources within an

organization to provide one holistic view of each customer in real time. It allows customer-facing employees (in such areas as sales, customer support, and marketing) to make immediate and informed decisions on everything from cross-selling opportunities to target marketing strategies and even to competitive positioning tactics.

The sales of CRM software applications grew rapidly in the late 1990s. In 2001, CRM spending was nearly \$10 billion, with nearly half of that spent on marketing applications including call centers and Web sites (Joachim, 2002). However, although executives want their CRM systems to expand relationships with existing customers, make it easy for customers to do business with them, and cross-sell through personalization, companies often do not have the capability to do this (Patrick Marketing Group, 2002). In particular, Jupiter Research reported that only 17% of companies that have implemented CRM systems use the customer analytics tools necessary for creating relevant personalizing content (Joachim). In addition, although most IT executives expect to increase spending in CRM technology in the coming years, only 7% of the spending will go into improving and profiling customers.

According to META Group, “CRM is still suffering from lackluster press and poor reviews, due more to poor public relations than to a lack of real results.” A recent Butler Group report found that 70% of CRM implementations fail, while a Gartner study found that approximately 55% of all CRM projects failed to meet expectations. In a Bain & Company survey of 451 senior executives in the previous year, CRM ranked in the bottom three categories among 25 popular tools evaluated for customer satisfaction (Mello, 2002). However, a 2002 Morgan Stanley survey of 225 chief information officers demonstrated that implementing

customer relationship management is still a priority on the IT agenda, despite widespread reports of dissatisfaction and failure.

While there has been much research about implementation failures and future demand, there is not a lot of research that assesses the penetration of CRM systems. One study of 40 firms in the UK found that slightly more than half were implementing a CRM system (Abbott, Stone, & Buttle, 2001). However, this estimate might be high compared to a more representative sample because the UK study included primarily information technology services firms.

A firm does not need an enterprise-wide CRM system to engage in relationship marketing. A database of customer information is all that is required. An effective database marketing program requires companies to have extensive, clean data in sufficient detail to be used for marketing communications. According to the most recent PricewaterhouseCoopers Global Data Management Survey, “The new economy is the data economy. . . Companies are entering a crucial phase of the data age without full control or knowledge of the one asset most fundamental to their success—data” (Kenyon, Lambert, Bengel, & Jordon, 2002). How good is customer data in a wide range of firms? What kinds of data do firms typically store about their customers? How is it being used in marketing campaigns?

Insights into these questions can be found in the Direct Marketing Association (2002) (DMA) survey of 286 corporate members who conduct mail or e-mail marketing programs. Eighty-two percent of the respondents had a housefile of customers, and 81% reported using personalization in their postal mailing. In addition, 84% reported that the key use of their database was building relationships with customers. These results would suggest that useful databases for marketing are common. However, the survey was of executives who already use direct mail or e-mail in their marketing programs and is not a representative sample of U.S. businesses.

In their surveys, Abbott, Stone, and Buttle (2001) found that most respondents agreed that the customer data held within their firms are not as good as they should be. While a large majority (82.5%) had customer databases, most of those felt the data were accurate only 50% to 75% of the time. Nearly all respondents (92.5%) agreed that more data would help marketers. In addition, the nature of the data firms do hold is relatively shallow. While 75% have the basic customer information and 63% store the campaign history, only 50% capture and use the buying patterns. Without transaction data, only low-level personalization is possible.

In sum, questions remain about the data infrastructure capabilities of typical firms and the ability of these firms to use existing data for personalized marketing communications.

## Perception of Print Media

With a relationship marketing strategy and infrastructure in place, will firms select print, specifically direct mail, as their medium of choice? Personalized printing is one tactic of direct marketing and is a popular means of communicating with customers. Universal McCann data reported in *Marketing News* (“Marketing Fact Book,” 2003) indicated that, in 2002, direct mail was the second-largest category of media expenditures at \$46 billion. Expenditures on direct mail rose by \$6.4 billion from 1998 to 2002. The growth of direct mail was 16.3%, roughly equal to the overall media expenditure growth rate at 17.5%. However, other forms of interactive media grew at a faster rate. For example, Internet expenditures rose by \$4.9 billion (365%) during this five-year period, from a very small base of just over \$1 billion.

Unfortunately, e-mail marketing expenditures are not reported in the Universal McCann data. In the 2002 DMA study noted above, 68% of respondents reported that e-mail marketing activity increased from 2001 to 2002, while another 30% reported that it had remained the same (DMA, 2002). In a survey of U.S. advertising and marketing executives, respondents

reported that their marketing communication budgets would increase by 17% for e-mail and 9% for online marketing activities, versus *reductions* of 6.9% for direct postal mail and 13.4% for catalogs (*DoubleClick*, 2002).

What are the overall perceptions of the effectiveness of printed media versus other forms? Insights can be gained from reviewing the Universal McCann expenditure data. For newspaper ads, the third largest media category, expenditures remained flat from 1998 to 2002 at \$44 billion per year. Magazine expenditures during that five-year period made a modest 4.5% increase from \$10.5 billion to \$11 billion, but business papers showed a drop of 6% to about \$4 billion. In contrast, spending for cable TV witnessed a 90% growth in ad revenues, from \$8.5 billion to \$16.3 billion in that time period, while radio ad revenue grew by 25.2% from \$15 billion to \$18.8 billion. However, broadcast TV spending rose only 7.4% from \$39.2 billion in 1998 to \$42 billion in 2002. While these data may indicate some evidence for the movement away from print media in general, the specific nature of the media selection process must be known.

## Research Objectives

The purpose of this research study is to examine the role that the marketing executive plays in the demand for personalized printed communications. The following are the specific research objectives for the marketing executive sample:

1. Defining the dynamics between the corporate marketing executive, the printer, and the creative agency relative to media decisions and campaign direction.
2. Understanding how media are selected and how print media are perceived and used within corporations.
3. Evaluating the corporate marketing executive's level of awareness of digital printing technology and that individual's current use of 1:1 communications solutions.
4. Understanding how database technologies are currently used within corporations and to what extent these technologies are integrated into corporate printing capabilities.
5. Defining the measures for campaign effectiveness utilized by marketing executives today.





## SAMPLE

The sample was drawn from the Dun and Bradstreet list targeted to financial services firms, manufacturers, and retail firms. A sample of 4,312 unique records was randomly selected from the list as follows: financial services (n=55), manufacturing (n=100), retail (n=21), and other (n=29). The specific SIC categories sampled are listed in Appendix A.

A total of 1,999 firms were contacted by phone to produce the 205 completed surveys. Of the remainder, 946 refused to complete the survey and 130 were not qualified.

## QUESTIONNAIRE

The questionnaire was designed in accordance with the research objectives. Insights into the specific questions to include were obtained by conducting in-depth interviews with a number of marketing executives about their interactions with advertising agencies, their media attitudes of the questions and their experiences with personalized print. The final wording and order of the questions is presented in Appendix B along with the percentage responding to each question.

## PROCEDURE

A screener, reading from the script below, identified the role of the interviewee within the firm.

Hello, this is (INSERT NAME) calling from (research firm). We are conducting research on behalf of the Rochester Institute of Technology Printing Industry Center to gain insight on a variety of issues regarding printed communications from the perspective of Marketing Executives. If you are qualified and complete the survey, you will receive an honorarium of \$50. Would you please tell me the name of the Vice President of Marketing or another senior executive in your company who is responsible for recommending strategies for the selection of media for your company's marketing campaigns? (The following titles might qualify: VP Marketing, Marketing Director or Executive VP.)



# Results

The complete results by type of firm and size of firm are presented in Appendix C. Significance tests were conducted on all questions to determine if there were differences among the firms classified by their industry (financial services, manufacturing, retail, or other) and size of marketing budget (under and over \$1 million). The overall frequency of responses and the statistically significant differences among firms will be discussed in this section.

## CHARACTERISTICS OF RESPONDENTS

The total survey sample consisted of 205 marketing executives, of whom 67% were male. Nearly all had graduated from college or had

graduate degrees. The respondents were asked about their roles in selecting media for their company's marketing campaigns. Nearly 70% responded that they were part of a group of decision-makers while one quarter indicated that they were the sole decision-makers regarding the selection of media.

Almost half of the respondents were from smaller firms (under 60 employees), and 26% were from larger firms (with 240 employees or more). Sixty-seven percent of the respondents characterized their firms as business-to-business companies; only 23% characterized their firms as business-to-consumer companies.

Size of Firm (# of employees)	Total
0	14%
1 - 20	17%
21 - 60	17%
61 - 129	13%
121 - 240	14%
241 - 1000	16%
1001+	10%

## OBJECTIVE 1:

**Defining the dynamics between the corporate marketing executive, the printer, and the creative agency relative to media decisions and campaign direction.**

### Marketing Communications Budget

The distribution of the size of annual marketing communications budget is shown in the table below; the median was \$300,000. The average size of marketing communications budgets was 6.9% of revenue (with a median of 2%). The respondents indicated that this figure did not include sales force compensation.

What is the size of your marketing communications budget for the U.S. market in dollars?	Percent
Less than \$449,000	56%
\$450,000 - \$999,999	15%
\$1,000,000 - \$9,999,999	20%
\$10,000,000 or more	10%

### Use of Advertising Agency

In the year preceding the survey, 53% of the firms (n=109) used the services of an advertising agency. Almost half of them used two or more agencies. Those with larger budgets utilized advertising agencies more often (p-value of 0.023). Financial services firms (62%) and large firms (62%) used agencies more often than manufacturing or retail/other firms.

From the first agency mentioned, 58% received advertising and print production services, 49% received creative development services, and 42% received graphic design services. The majority of these firms (70%) used their advertising agency on a project-by-project basis, while the other 30% worked on retainer.

What services did agency #1 provide you? (Indicate all that come to mind)	Percent
Advertising production/print production	58%
Creative development	49%
Other services	44%
Graphic design	42%
Media planning/buying	35%
Sales promotion/collateral development	32%
Brand consulting	28%
Direct marketing	28%
Corporate identity	26%
Digital branding/Web development	25%
Public relations	20%
Trade show services	14%
Customer relationship management	8%

For those firms using more than one agency, graphic design was the top service.

The respondents were then asked if they *provided* or *took* direction from their advertising agency in regards to campaign strategy. Nearly 65% of the respondents indicated that they *provided* direction and 32% of firms collaborated with their advertising agency.

When asked if their firm made a change in its marketing strategy that resulted in a change in the media mix, 39% answered *yes*. Of these, 46% indicated that they made a change in their Internet marketing strategy, primarily increasing their Web presence. Other firms increased marketing activities in the following areas: direct mail (12%), e-mail marketing (10%), and print (9%).

The respondents were then asked to indicate why they made the changes. Eleven percent indicated that the change was to reach a new market, 10% indicated that it was to save money, and 8% reported that the change was made to execute a new strategy. Almost all respondents (91%) said that the recommendation to change the media mix was initiated by the firm.

## OBJECTIVE 2:

**Understanding how media are selected and how print media are perceived and used within corporations.**

### Media Choices

In the preceding year, the respondent firms' media budgets were spent on print advertising (35%), sales collateral (16%), Internet-based activities (5%), and direct mail (14%). Firms with advertising budgets in excess of \$1 million utilized radio advertising more often, while smaller firms relied more heavily on Internet-based activities.

In the last year, what percent of your media budget was spent on each?	Mean Percent
Print advertising	35%
Sales collateral	16%
Internet-based activities	15%
Direct mail	15%
Other media	8%
Email campaigns	4%
Radio advertising	4%
Television advertising	3%
Outdoor or transit advertising	2%

Financial services firms used more direct mail than the retail/other or manufacturing firms. Manufacturing firms used more Internet-based activities and less broadcast media than financial services or retail firms. There was no difference by marketing budget size.

Mean percent by Firm Type	Manufacturing Mean Percent	Financial Services Mean Percent	Other/Target Mean Percent
Direct mail	12%	21%	14%
Internet	19%	8%	11%
Television advertising	.2%	8%	5%
Radio advertising	.8%	7 %	5%

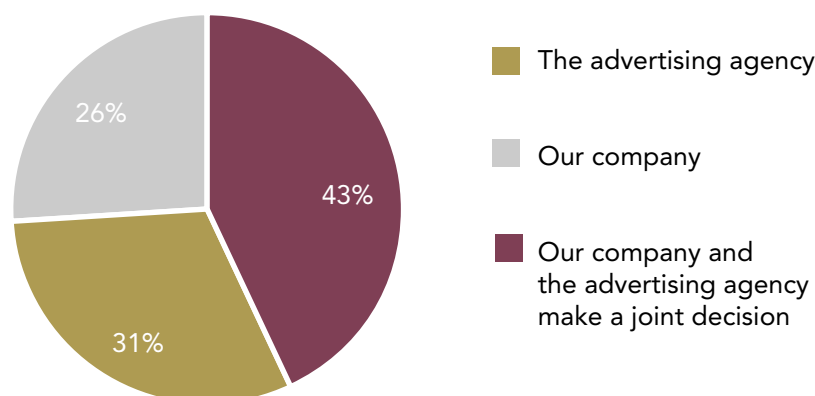
Note: Highlighted values show the highest value for each media type (in rows).

## Printing Services Procurement

The majority of respondents (64%) indicated that their advertising agency did *not* buy printing on their behalf. There was no difference by firm type or size of budget.

The respondents who reported using an agency to buy printing were then asked who typically chose the printing services provider. The agency played a role in nearly 74% of those decisions. Responses showed that companies with advertising budgets of less than \$1 million more often made the decision themselves (29% of the time, versus 15% of the time for those with large budgets).

### Who typically makes the choice in printing service provider selection?



## Printing Capabilities

More than half of the respondents (56%) indicated that they had in-house print capabilities. More in-house printing was found for manufacturing firms (64%) than for the other two categories (financial 43% and retail/other 55%). Nearly one-third (32%) completed all of the design work in-house and outsourced the print production. Twenty-eight percent printed primarily print in-house and outsourced only for a particular print process. Thirty-four percent of the firms outsourced all of their printing to a print provider. Organizations with large advertising budgets (in excess of \$1 million) utilized brokers more often and also used outsourcing processes more heavily. Those with smaller budgets tended to print primarily in-house and outsourced only for a particular process.

What are your company's printing capabilities?	Percent
We outsource all of our printing to a print provider	34%
We do all the design work in-house and outsource print production	32%
We primarily print in-house, we only outsource for a particular print process (i.e., wide format)	28%
We deal with a broker	5%
Decline to answer	3%
Not sure	1%

# Results

Respondents were asked what types of technologies they used to communicate with their customers. Ninety-three percent used laser printing, 88% used black-and-white copiers, 69% used inline inkjet printing, and 67% communicated through digital color or production copiers.

The firms worked with an average of three printers. When asked to state the typical length of a relationship between their company and a printing services provider, nearly 60% indicated that their relationship had lasted from one to five years. The average length of relationship was two years.

On average, what is the typical length of a relationship between your company and a printing service provider?	Percent
1-5 years	61%
6-10 years	28%
11-15 years	4%
16-20 years	5%
21-25 years	2%
50 years	1%

The respondents were also asked if they had started using a new or additional printing service provider in the past year. Thirty-nine percent responded yes. The most important factors in choosing a printer were dependability, print quality, and ease of doing business. The factor of least importance was unique capabilities. Companies with smaller advertising budgets (under \$1 million) were more price sensitive, while those with larger budgets valued turnaround time and the ability to print on a large range of stocks.

Selecting Print Service Provider	Agreement On 10-point scale
Dependability	6.59
Print quality	6.41
Ease of doing business	6.11
Turnaround time	5.79
Price	5.58
Ability to print on a wide range of paper stocks	4.21
Binding and finishing capabilities	3.92
Personalization	3.74
Geographic proximity	3.70
The specific printing technology used by the provider	3.59
Unique capabilities	3.23



## OBJECTIVE 3:

**Evaluating the corporate marketing executive’s level of awareness of digital printing technology that individual’s current use of 1:1 communications solutions.**

### Media Perceptions

The respondents were asked to rate the following on a scale from 1 to 5, where 1 means *completely disagree* and 5 means *completely agree*. The majority (81%) indicated that targeted campaigns outperform mass-market campaigns. When questioned about their knowledge and perceptions of the new printing technology for personalization, 62% of the respondents reported they were aware of it, but only 36% had been shown samples of it by an ad agency or had been shown creative ideas for using personalization strategies. Regarding their own use of the new design and print technologies, 43% reported that they were increasing their use of in-house printing of sales collateral.

Indicate the extent to which you agree or disagree with each of the following statements. (5-point scale: 1= Completely Disagree, 5=Completely Agree)	Percent Indicating 4 or 5
Targeted campaigns outperform mass-market campaigns	81%
I am aware of the new print technology capabilities for personalization	62%
Given the new design and production technologies, our company is increasing the in-house printing of our own sales collateral	43%
Broadcast media advertising is best for brand building	40%
I have been shown samples of printed communication material to illustrate the capabilities of new technologies by an ad agency.	36%
My advertising agency has presented creative ideas for personalization strategies	36%
When the company needs to know the direct ROI from a campaign, I use a direct response medium	33%
Broadcast media advertising is best for driving store traffic	27%
We get better response rates with email campaigns than printed mail	26%

There were few differences found among firms. Financial services firms were more likely to agree that they were aware of the personalization technologies (73%), compared to retail/other (64%) and manufacturing firms (54%). Manufacturing firms were less likely to agree that broadcast media were best for brand building (25%) than financial (54%) or retail/other firms (53%). Firms with budgets in excess of \$1 million used broadcast advertising for brand building and were more aware of new print technologies for personalization. There were no differences by marketing budget size.

# Results

The respondents were given various situations and were asked to indicate *always*, *sometimes*, or *never* in regards to how often they recommended print as a marketing communications tool. Of the respondents who indicated *always*, 62% recommended print when introducing a new product, and 42% recommended it for promotions or special offers. Additionally, the respondents indicated that they always recommended print as a marketing communications tool when increasing brand awareness (41%) and for sales support (41%).

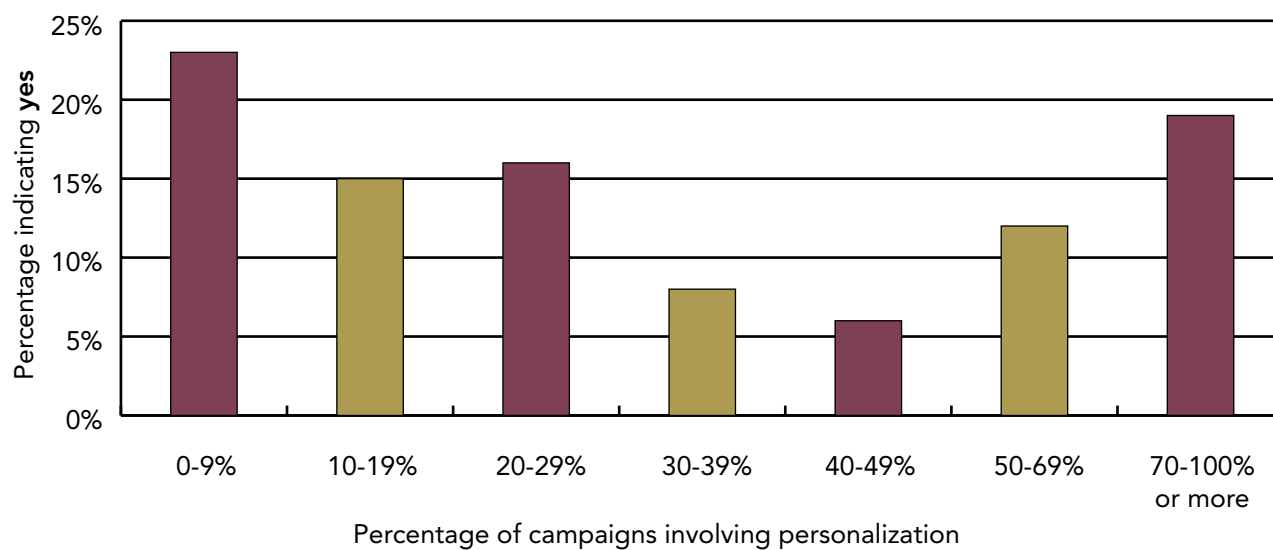
How often for the following situations or marketing objectives do you recommend print as a marketing communication tool? (Always, sometimes or never)	Percent Indicated Always
Introduce a new product	62%
Promotions or special offers	42%
Increase brand awareness	41%
Sales support	41%
Brand positioning	28%
Customer retention/loyalty	26%
Lead generation	25%
Customer acquisition	25%
To drive retail traffic	23%
Cross-selling/up-selling	19%

Firms with advertising budgets in excess of \$1 million recommended print more often for customer acquisition and to drive retail sales. Conversely, those with budgets under \$1 million recommended print more often for cross-selling/up-selling.

## Use of Personalized Communication Strategies

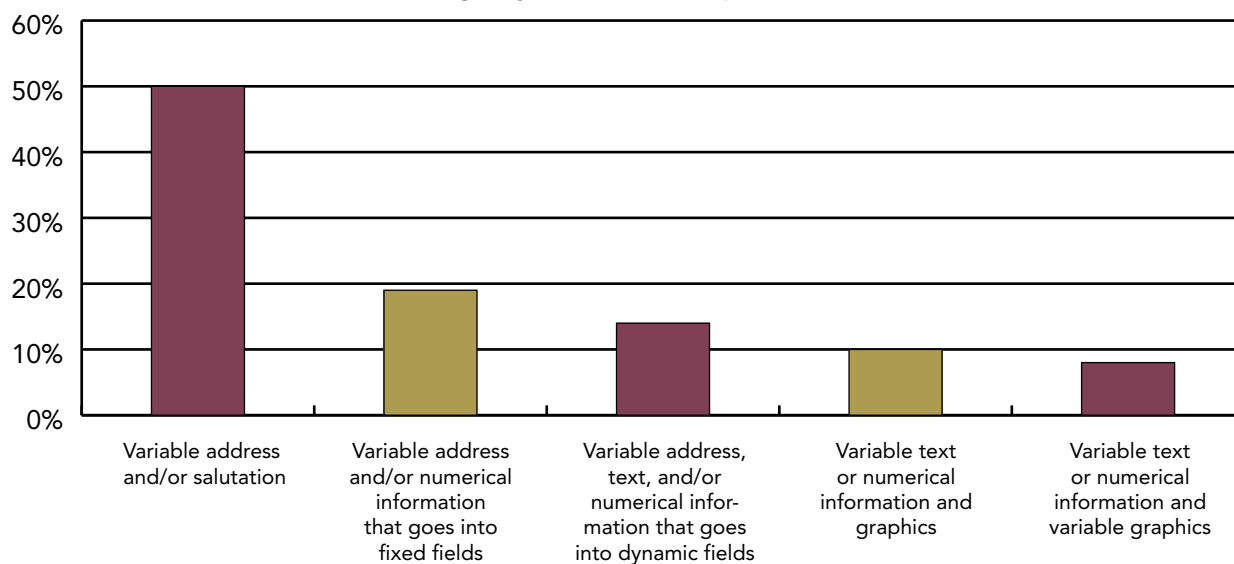
When asked if they ever used personalized communication in their marketing campaigns, 75% of the respondents indicated *yes*. The respondents were then asked what percentage of their campaigns involved personalized communication with their customer in the past year. The data revealed a *U-shaped* function with the median value of 25% (mean of 33%).

Percentage of campaigns that involved personalized communication with the customer



Respondents were then asked to distribute 100 points to indicate to what degree those communications were personalized. Exactly half (50%) of the respondents indicated that they used the lowest level of customization, variable address and/or salutation, common to mail/merge application. As the level of complexity of the customization increased, the proportion of those who used it decreased. Only 8% indicated that their campaigns involved a high degree of personalization (variable text or numerical information and variable graphics). There were no differences by firm size or type in the use of the various levels of personalization.

If agency work involved personalization



# Results

Respondents were asked to rate the impact of personalized communication on a number of marketing objectives. The greatest impact was viewed as improving response rates and improving customer retention (a mean rating of 7 out of 10). Personalized communication was seen to have the least impact on reducing print and mailing costs (a mean rating of nearly 6 out of 10).

Rate the following five attributes in terms of the impact that personalized communication has on each attribute. (10-point scale: 1=no impact, 10=extremely positive impact)	Mean rating on 10-point scale
Improving response rates	7.1
Improving customer retention	7.05
Improving the reader's ability to locate information	6.43
Improving reader's ability to understand and retain information	6.4
Reducing print and mailing costs	5.98

The respondents whose work involved a low level of personalization (n=50) were asked to identify the obstacles they encountered in using personalized communications in their marketing campaigns. The lack of resources (money, databases, people, or knowledge) and lack of need were the top obstacles mentioned.

What are the obstacles to using personalized communications in your marketing campaigns?	Percent
Cost	20%
Lack of need/customer base not suitable	20%
Lack of a suitable database/need for database	18%
Lack of resources (including; time, manpower, change of personnel and software packages)	10%
Lack of knowledge of agency or firm	10%
Lack of awareness	6%
Lack of results (not successful on earlier attempts) or concern about lack of impact	4%
Design constraints/Lack of creative flexibility	2%

**OBJECTIVE 4:**

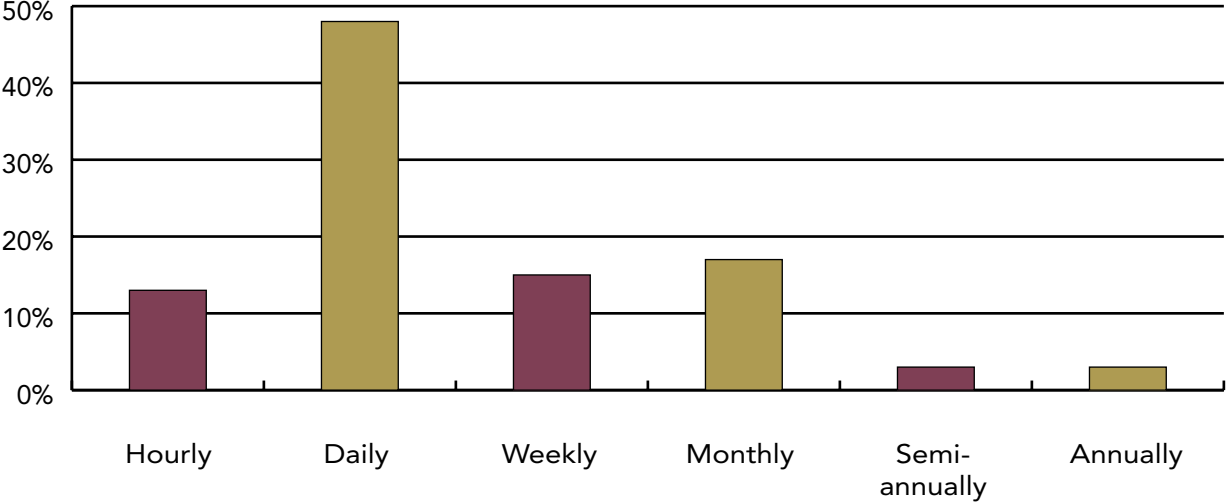
**Understanding how database technologies are currently used within corporations and to what extent these technologies are integrated into corporate printing capabilities.**

**Marketing Databases**

The respondents were asked to indicate if they maintained a database of their customers internally or if they outsourced it. The majority of the respondents (94%) indicated that they maintained the database internally. Five percent outsourced it, and 1% did not have a database of customers.

When asked how often their database is updated, either with new customers or updates of information about current customers, nearly half of the respondents (48%) indicated that they updated their databases daily and 13% did it hourly. Seventeen percent of the firms updated their databases monthly, and 15% updated them weekly.

How often is the database updated?



# Results

The respondents were then asked how the new data was entered into the database. Manual data entry was the most common method (79%), followed by entry by telephone sales representatives (58%) and Web site data capture (48%). When asked if their customer databases were clean, 60% of the respondents indicated that they were (4 or 5 on a five-point scale of cleanliness). Those with an advertising budget in excess of \$1 million more often collected data at retail outlets or downloaded it from outsource services vendors, as the relationship is significant.

How does the new data get entered into the database?	Percent
Manual data entry from paper forms	79%
A telephone sales representative enters the data (e.g., call centers)	58%
Website data capture of visitors or online ordering	48%
Automatic data entry via email contact with customer	39%
Downloading from outsource services vendor (e.g., fulfillment service)	30%
Data collection at retail outlets	24%
Other	15%

## Software Applications

The respondents were asked to indicate what software applications they used to manage their customer database. Although only 64 respondents answered this question, 160 software packages were listed. Seventeen percent of the respondents custom-built their software and another 17% used a Microsoft software application.

The respondents were asked if they used a CRM system. Only 21% indicated that they did use a CRM system. The software they used for their CRM system varied widely. There were no differences by size of marketing budget or industry type in use of a CRM system.

When respondents were asked which capabilities they used in managing their customer databases, nearly 60% said they used sales force management, 31% said they used data mining, and 28% said they used campaign management. Six percent were not sure what capabilities their firms used to manage their customer databases.

Which of the following capabilities do you use in managing your customer database?	Percent
Sales force management	57%
Data mining	31%
Campaign management	28%
None of these	21%
Data cleansing software	20%
Digital asset manager	6%
Not sure	6%

Financial services firms used more data mining (48%) and campaign management tools (46%) than other types of firms. When broken down by size of firm, larger firms were more likely to use data mining (39%) than smaller firms (21%). Firms with larger advertising budgets (\$1 million plus) use data mining, campaign management, and data cleansing software significantly more than those with smaller budgets.

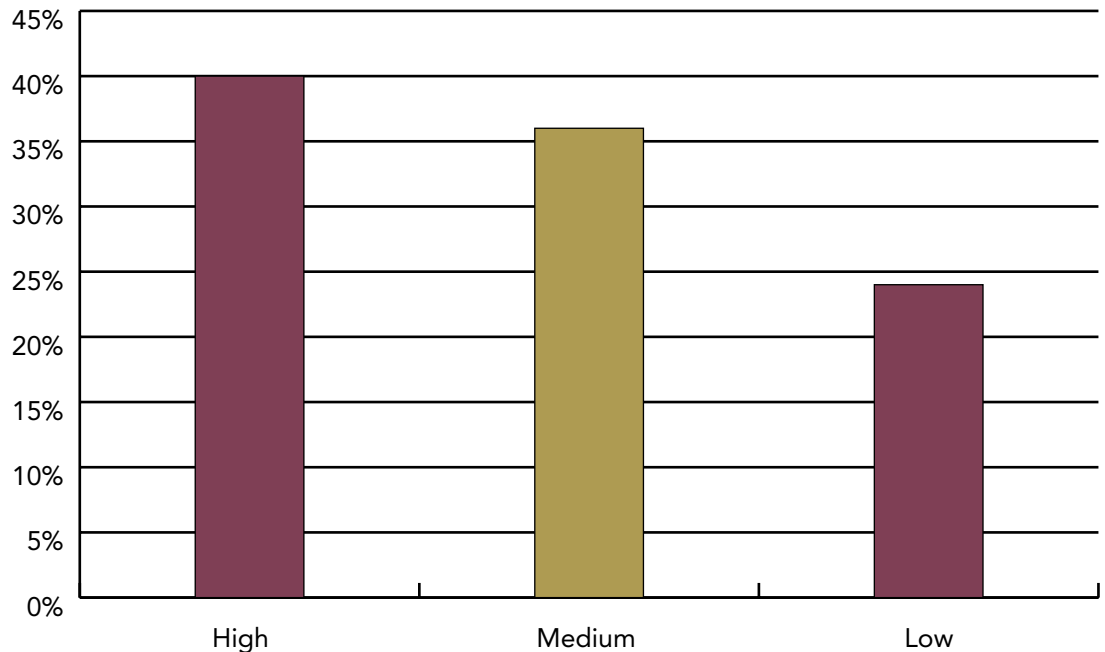
One open-ended question asked what it would take to create an enterprise-wide solution to more effectively leverage customer information. Software was frequently mentioned as a solution. However, better integration among existing programs or acquiring better information about customers were also mentioned.

What does your firm need in order to create an enterprise-wide solution to more effectively leverage the information about your customers with your marketing messages?	Percent
Software (generic), campaign management, integration or new equipment	17%
Implementation of current CRM/DB, clean DB; accessible to all	9%
More money	9%
Nothing	9%
New CRM package, program, system	8%
More staff; more MIS people	8%
Culture change/ strategy change, internal communication	6%
Internet presence/ improved web integration	5%
Some way to reach customers better; more customer research; data mining; better personalization or targeting	5%
Training; more expertise	3%
Communication/more advertising	3%
More time	2%
Dealer issues	1%

# Results

The respondents were also asked if they integrated their marketing database and CRM packages with their in-house printing technology. Slightly more than half (56%) said *yes*. Those respondents were then asked to rate how well their marketing database and CRM packages were integrated with their in-house printing technology. Nearly half indicated that they were integrated relatively well (40% reported a 7, 8, 9, or 10 on a 10-point scale).

**How well are marketing and CRM packages integrated with in-house technology?**



## **OBJECTIVE 5:**

### **Defining the measures for campaign effectiveness utilized by marketing executives today.**

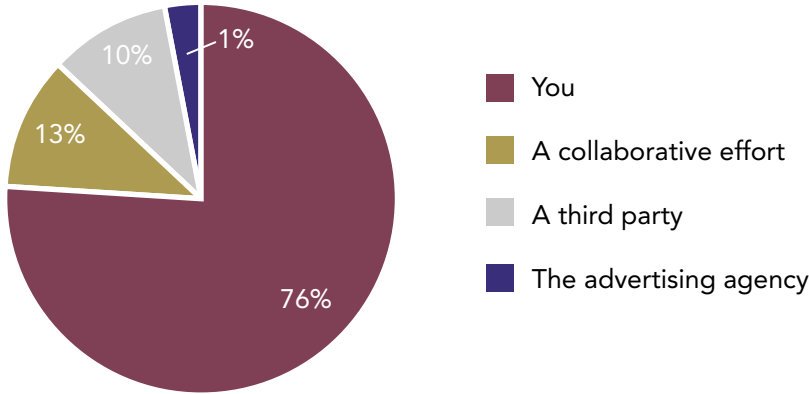
The respondents were asked if they *always*, *sometimes* or *never* used the following factors when measuring the results of a marketing campaign. The four highest measures were sales leads (50%), change in sales (49%), response rate of a direct mail piece (47%), and customer retention (34%). Companies with advertising budgets in excess of \$1 million measured results by retail traffic/store counts significantly more than those with smaller budgets; those with smaller budgets used sales leads significantly more.



Factors For Measuring Results Of A Marketing Campaign	Percent Indicating Always
Sales leads	50%
Change in sales (before/after measure)	49%
Response rate of a direct mail piece	47%
Number of orders placed	46%
Customer retention	34%
Change in number of calls to an 800 number	25%
Change in number of calls to an 800 number	15%
Other methods	13%
Retail traffic/store counts	12%
Post-advertising awareness measure	11%

When asked who typically measured the results of a campaign, 75% of the respondents indicated that they measured the results internally, 13% indicated that it was a collaborative effort with the advertising agency, and 10% indicated that it was a third party.

Who measures the results of a campaign?





# Summary of Results

The key findings that address each of the research objectives for this study are presented below:

1. Defining of the dynamics between the corporate marketing executive, the printer, and the creative agency relative to media decisions and campaign direction.

- Only 53% of the firms reported using the services of an advertising agency in the preceding year. Of those who did, the most frequently used services were advertising production and print production (58%), creative development (49%), graphic design (42%), and media planning and buying (35%).
- A majority of marketing executives reported that they were taking the lead in providing direction to their agencies in campaign strategy (65%), and 32% reported that they worked in collaboration with the agency.
- Only 39% reported that they changed a marketing strategy in the last year that resulted in a change of the marketing mix.

2. Understanding how media are selected and how print media are perceived and used within corporations.

- Print advertising was the top medium in terms of advertising expenditures (35% of expense) followed by sales collateral, Internet, and direct mail.
- Only 36% of firms reported that their advertising agency purchased printing on their behalf.

- Over half of respondents had in-house printing capabilities that they used to communicate with customers. These included laser printing (93%), black-and-white copiers (88%), inline ink-jet (69%), and digital color/production copiers (67%). A small proportion (21%) had offset capabilities.
- Forty-three percent agreed with the statement, “Given the new design and production technologies, our company is increasing the in-house printing of our own sales collateral.”
- Approximately one third of respondents reported that they outsourced all printing, another third designed in-house and then outsourced printing, and the remaining third printed almost everything in-house.
- The typical firm worked with an average of three printers, and the average length of the relationship with a printer was two years.
- The criteria for printer selection were (in descending order of importance) dependability, quality, ease of doing business, turnaround time, price, and specific printing technology.

3. Evaluating the corporate marketing executive’s level of awareness of digital printing technology and that individual’s current use of 1:1 communications solutions.

- In terms of awareness of the personalized printing technologies, 62% of the respondents agreed that they were aware of the technology, but

# Summary of Results

only 36% reported that they had seen samples from ad agencies.

- Seventy-five of the firms reported that they used personalized communications. However, only an average of 33% of their campaigns used personalized communications. Of those campaigns, 50% were reported as using only a mail-merge application.
- The benefits of personalized communication were improved response rates and improved customer retention.
- The biggest obstacles in recommending personalized print were the cost, lack of a suitable database, and inexperience.

4. Understanding how database technologies are currently used within corporations and to what extent these technologies are integrated into corporate printing capabilities.

- Ninety-four percent of marketing executives reported that kept an internal customer database. The

primary capabilities of the database were sales force management (57%), data mining (31%), and campaign management (28%).

- Only 21% reported using a CRM system.
- Fifty-six percent of respondents reported that their marketing databases are integrated with their printing capabilities. When asked how well they were integrated, slightly less than half gave a rate of high (7 to 10 on a 10-point scale).

5. Defining the measures for campaign effectiveness utilized by marketing executives today.

- Firms are taking the lead in measuring campaign effectiveness; 75% reported that they do so.
- The typical measures are number of sales leads (50%), change in sales (49%), number of orders placed (46%), and response rate to direct mail (47%).

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# Appendix A: SIC Codes Used in Sample Selection

## Financial Services

- 6021 National commercial banks
- 6022 State commercial banks
- 6029 Commercial banks, not chartered
- 6035 Federal savings institutions
- 6036 Savings institutions, except federal
- 6061 Federal credit unions
- 6062 State credit unions
- 6162 Mortgage bankers and correspondents
- 6211 Security brokers and dealers
- 6282 Investment advice
- 6311 Life insurance
- 6321 Accident and health insurance
- 6324 Hospital and medical service plans
- 6331 Fire, marine, and casualty insurance
- 6399 Insurance carriers
- 6411 Insurance agents, brokers, and service

## Retail

- 5231 Paint, glass, and wallpaper stores
- 5251 Hardware stores
- 5311 Department stores
- 5411 Grocery stores
- 5441 Candy, nut, and confectionery stores
- 5611 Men's and boys clothing stores
- 5621 Women's clothing stores
- 5632 Women's accessory and specialty stores
- 5641 Children's and infants wear stores
- 5651 Family clothing stores
- 5661 Footwear
- 5699 Miscellaneous apparel and accessory stores
- 5712 Furniture stores
- 5713 Floor covering stores
- 5714 Drapery and upholstery stores
- 5941 Sporting goods and bicycle shops
- 5942 Book stores
- 5948 Luggage and leather goods stores

## Manufacturing

- 2434 Cabinets, wood
- 2435 Hardwood veneer and plywood
- 2436 Softwood veneer and plywood
- 2439 Structural wood members
- 2441 Nailed wood boxes and shook
- 3524 Lawn and garden equipment
- 3531 Construction machinery
- 3532 Mining machinery
- 3533 Oil and gas field machinery
- 3534 Elevators and moving stairways
- 3535 Conveyors and conveying equipment
- 3536 Hoists, cranes, and monorails
- 3537 Industrial trucks and tractors
- 3541 Machine tools, metal cutting type
- 3542 Machine tools, metal forming type
- 3543 Industrial patterns
- 3544 Special dies, tools, jigs, and fixtures
- 3545 Machine tool accessories
- 3546 Power-driven hand tools
- 3561 Pumps and pumping equipment
- 3562 Ball and roller bearings
- 3563 Air and gas compressors
- 3564 Blowers and fans
- 3567 Industrial furnaces and ovens
- 3569 General industrial machinery
- 3585 Refrigeration and heating equipment
- 3586 Measuring and dispensing pumps

## Other

1389	Oil and gas field services, not elsewhere classified
1791	Structural steel erection
1799	Construction special trade contractors, not elsewhere classified
5013	Wholesale Trade-durable goods: Motor vehicle supplies and new parts
5021	Wholesale Trade-durable goods: Furniture
5023	Wholesale Trade-durable goods: Home furnishings
5047	Wholesale Trade-durable goods: Medical, dental, and hospital equipment and supplies
5074	Wholesale Trade-durable goods: Plumbing and heating equipment and supplies
5078	Wholesale Trade-durable goods: Refrigeration equipment and supplies
5084	Wholesale Trade-durable goods: Industrial machinery and equipment
5091	Wholesale Trade-durable goods: Sporting and recreational goods and supplies
5131	Wholesale Trade-non-durable goods: Piece goods, notions, and other dry goods
5137	Wholesale Trade-non-durable goods: Women's, children's, and infant's clothing and accessories
7011	Hotels, Rooming, Houses, and Other lodging places: Hotels and Motels
7213	Personal Services: Linen supply
7373	Business Services: Computer integrated systems design
7389	Business Services: Business services, not elsewhere classified
7536	Automotive Repair, Services, and Parking: Automotive glass replacement shops
7999	Amusement and Recreation Services, not elsewhere classified
8621	Membership Organizations: Professional membership organizations
8699	Membership Organizations, not else where classified
8732	Engineering, Accounting, Research, Manufacturing and Related Services: Commercial economic, sociological, and educational research
8742	Engineering, Accounting, Research, Manufacturing and Related Services: Management consulting services
8748	Engineering, Accounting, Research, Manufacturing and Related Services: Business consulting services, not elsewhere classified



# Appendix B: Summary of Survey and Survey Responses

A survey of 205 marketing executives was conducted in Spring 2003 by Harris Interactive. The sample was drawn from the Dun and Bradstreet list targeted to financial services firms, manufacturers, and retail firms. A total of 1,999 randomly selected firms were contacted by phone to produce the 205 completed surveys. Of the remainder, 946 refused to complete the survey and 130 were not qualified. The table below reports the summary data for all respondents.

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
<b>345-Size of Firm (# of employees)</b>						
<i>Base</i>	<i>n=205</i>	<i>n=55</i>	<i>n=100</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
0	14%	9%	15%	24%	10%	16%
1-20	17%	22%	7%	24%	34%	30%
21 - 60	17%	16%	22%	5%	7%	6%
61 -129	13%	13%	13%	14%	10%	12%
121-240	14%	20%	13%	0%	17%	10%
241-1000	16%	16%	18%	10%	14%	12%
1001+	10%	4%	12%	24%	7%	14%
<b>350-Firm Type</b>						
Financial services firm	27%	100%				
Manufacturing firm	49%		100%			
Retail firm	10%			100%		42%
Other target firm	14%				100%	58%
<b>425-Which of the following best describes your role in the selection of media for your company's marketing campaigns?</b>						
You are the sole decision maker regarding the selection of media for your company's marketing campaigns.	25%	27%	28%	19%	17%	18%
You are one of a group of decision makers.	69%	69%	65%	76%	79%	78%
You recommend strategies for the selection of media, but you have no role in the final decision.	5%	4%	7%	5%	3%	4%

# Appendix B

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
<b>500-First, we would like to discuss your company's marketing communications strategy. What is the size of your marketing communications budget for the U.S. market in dollars?</b>						
<i>Net answering</i>	<i>n=163</i>	<i>n=43</i>	<i>n=77</i>	<i>n=18</i>	<i>n=25</i>	<i>n=43</i>
Not sure or decline to answer	42	12	23	3	4	7
Less than \$449,000	56%	51%	64%	18%	60%	42%
\$450,000 - \$999,999	15%	16%	17%	11%	8%	9%
\$1,000,000 - \$9,999,999	20%	21%	14%	39%	24%	30%
\$10,000,000 or More	10%	12%	4%	33%	8%	19%
<b>505-What is the approximate size of your marketing communications budget for the U.S. market as a percent of revenue?</b>						
<i>Net answering</i>	<i>n=167</i>	<i>n=43</i>	<i>n=80</i>	<i>n=18</i>	<i>n=26</i>	<i>n=44</i>
Not sure or decline to answer	38	12	20	3	3	6
0 percent of revenue	6%	2%	10%	0%	4%	2%
1-4 percent of revenue	59%	56%	61%	67%	54%	59%
5-9 percent of revenue	15%	9%	15%	33%	12%	20%
10-14 percent of revenue	10%	16%	10%	0%	4%	2%
15-100 percent or more of revenue	10%	15%	3%	0%	28%	15%
<b>510-Does this budget include sales force compensation and support?</b>						
<i>Net answering</i>	<i>n=203</i>	<i>n=54</i>	<i>n=99</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Yes	14%	17%	10%	19%	21%	20%
No	86%	83%	90%	81%	79%	80%
<b>515-In the last year, did you use the services of an advertising agency?</b>						
<i>Net answering</i>	<i>n=204</i>	<i>n=55</i>	<i>n=99</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Yes	53%	62%	57%	43%	34%	38%
No	47%	38%	43%	57%	66%	62%
<b>520-How many different advertising agencies did you use?</b>						
<i>Base: respondents using an ad agency</i>	<i>n=109</i>	<i>n=34</i>	<i>n=56</i>	<i>n=9</i>	<i>n=10</i>	<i>n=19</i>
1	62%	62%	63%	78%	50%	63%
2	22%	18%	25%	0%	40%	21%
3+	16%	21%	13%	22%	10%	16%
<b>525-What services did agency #1 provide you? (indicate all that come to mind)</b>						
<i>Base: respondents using an ad agency</i>	<i>n=109</i>	<i>n=34</i>	<i>n=56</i>	<i>n=9</i>	<i>n=10</i>	<i>n=19</i>
Graphic design	42%	47%	46%	22%	20%	21%
Brand consulting	28%	35%	25%	22%	20%	21%

## Appendix B

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Corporate identity	26%	26%	27%	11%	30%	21%
Creative development	49%	56%	52%	33%	20%	26%
Customer relationship management	8%	6%	11%	0%	10%	5%
Digital branding/Web development	25%	18%	32%	0%	30%	16%
Direct marketing	28%	41%	25%	0%	20%	11%
Media planning/Buying	35%	56%	25%	33%	20%	26%
Public relations	20%	21%	20%	22%	20%	21%
Sales promotion/Collateral development	32%	38%	32%	22%	20%	21%
Advertising production/Print production	58%	59%	63%	44%	40%	42%
Trade show services	14%	6%	23%	0%	0%	0%
Other services	44%	0%	0%	0%	0%	0%
<b>900-Is agency #1 on retainer, or do you work with them on a project-by-project basis?</b>						
<i>Base: respondents using an ad agency</i>	<i>n=109</i>	<i>n=34</i>	<i>n=56</i>	<i>n=9</i>	<i>n=10</i>	<i>n=19</i>
Decline to answer	1%		2%			
On retainer	30%	50%	16%	56%	10%	32%
Project-by-project	70%	50%	84%	44%	90%	68%
<b>527-What services did agency #2 provide you? (indicate all that come to mind)</b>						
<i>Base: respondents using 2+ agencies</i>	<i>n=41</i>	<i>n=13</i>	<i>n=21</i>	<i>n=2</i>	<i>n=5</i>	<i>n=7</i>
Graphic design	39%	46%	38%	50%	20%	29%
Brand consulting	12%	0%	19%	0%	20%	14%
Corporate identity	17%	8%	24%	0%	20%	14%
Creative development	41%	62%	33%	0%	40%	29%
CRM	10%	8%	14%	0%	0%	0%
Digital branding/Web development	15%	8%	24%	0%	0%	0%
Direct marketing	22%	15%	33%	0%	0%	0%
Media planning/Buying	20%	23%	14%	50%	20%	29%
Public relations	10%	8%	14%	0%	0%	0%
Sales promotion/Collateral development	22%	23%	29%	0%	0%	0%
Advertising production/Print production	34%	46%	24%	50%	40%	43%
Trade show services	12%	0%	24%	0%	0%	0%
Other services	32%	15%	38%	50%	40%	43%

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
<b>905-Is agency #2 on retainer, or do you work with them on a project-by project basis?</b>						
<i>Base: respondents using 2+ agencies</i>	<i>n=41</i>	<i>n=13</i>	<i>n=21</i>	<i>n=2</i>	<i>n=5</i>	<i>n=7</i>
On retainer	15%	8%	15%	50%	20%	29%
Project-by-project	85%	92%	85%	50%	80%	71%
<b>529-What services did agency #3 provide you? (indicate all that come to mind)</b>						
<i>Base: respondents using 3+ agencies</i>	<i>n=17</i>	<i>n=7</i>	<i>n=7</i>	<i>n=2</i>	<i>n=1</i>	<i>n=3</i>
Graphic design	29%	43%	29%	0%	0%	0%
Brand consulting	6%	0%	14%	0%	0%	0%
Corporate identity	35%	57%	29%	0%	0%	0%
Creative development	6%	14%	0%	0%	0%	0%
CRM	12%	0%	29%	0%	0%	0%
Digital branding/Web development	18%	29%	14%	0%	0%	0%
Direct marketing	12%	0%	14%	50%	0%	33%
Media planning/Buying	6%	0%	14%	0%	0%	0%
Public relations	29%	43%	14%	50%	0%	33%
Sales promotion/Collateral development	35%	29%	43%	50%	0%	33%
Advertising production/Print production	12%	0%	29%	0%	0%	0%
Trade show services	12%	9%	29%	0%	0%	0%
Other Services	41%	29%	57%	0%	100%	33%
<b>910-Is agency #3 on retainer, or do you work with them on a project-by-project basis?</b>						
<i>Base: respondents using 3+ agencies</i>	<i>n=17</i>	<i>n=7</i>	<i>n=7</i>	<i>n=2</i>	<i>n=1</i>	<i>n=3</i>
On retainer	12%	0%	14%	50%	0%	33%
Project-by-project	88%	100%	86%	50%	100%	67%
<b>535-In the majority of marketing campaigns you have been involved with in your current firm, are you PROVIDING direction to the agency or TAKING direction from the agency regarding campaign strategy?</b>						
<i>Base: respondents using an ad agency</i>	<i>n=109</i>	<i>n=34</i>	<i>n=56</i>	<i>n=9</i>	<i>n=10</i>	<i>n=19</i>
Net answering	<i>n=107</i>	<i>n=33</i>	<i>n=55</i>	<i>n=9</i>	<i>n=10</i>	<i>n=19</i>
Not sure	2%	3%	2%	0%	0%	0%
Providing direction to the agency	64%	52%	73%	67%	60%	63%
Taking direction from the agency	2%	3%	2%	0%	0%	0%
Is a collaborative interaction	32%	45%	24%	33%	30%	32%
It all depends on the nature of the situation or campaign	2%	0%	2%	0%	10%	5%

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
<b>550-Now I am going to read you a list of media types. Please tell me, in the last year, what percent of your media budget was spent on each? Keep in mind that the percentage across all media should add up to 100%.</b>						
<i>Base</i>	<i>n=205</i>	<i>n=55</i>	<i>n=100</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Print advertising	35%	30%	35%	45%	34%	39%
Direct mail	15%	22%	12%	18%	11%	14%
Radio advertising	4%	7%	1%	7%	4%	5%
Television advertising	3%	8%	0%	9%	1%	5%
Outdoor or transit advertising	2%	4%	1%	1%	1%	1%
Internet-based activities	15%	8%	19%	1%	19%	11%
Sales collateral	16%	15%	17%	12%	17%	15%
Email campaigns	4%	3%	4%	4%	5%	5%
Other media	8%	4%	11%	3%	8%	6%
<b>555-In the past year, has your firm changed its marketing strategy that resulted in a change in the media mix?</b>						
Yes	39%	31%	45%	10%	52%	34%
No	61%	69%	55%	90%	48%	66%
<b>556-Please describe the marketing strategy change your firm made that resulted in a change in the media mix. (Multiple responses, n=103)</b>						
<i>Base: respondents whose media mix changed</i>	<i>n=77</i>					
Internet presence	46%					
Increased direct mail	12%					
Email marketing	10%					
Increased print	9%					
Increased TV	8%					
Cost reduction/Cut budget	5%					
Increased radio	5%					
Decreased print	5%					
Revamped campaign/Marketing strategy	4%					
Focused more on B2C	4%					
Increased customer base	3%					
Product development	3%					
Reduced TV	3%					
Changed design	1%					
National branding campaign	1%					
Observed database/Customer behavior	1%					

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Reduced internet	1%					
Sales material	1%					
Increased magazine	1%					
Home based advertising	1%					
Internal: crosstraining employees	1%					
Reduced direct mail	1%					
Increased newspaper	1%					
Total % of multiple responses	127%					
<b>560-What were the reasons for the change in your firm's marketing strategy?</b>						
<i>Base: strategy change resulted in media mix change</i>	<i>n=79</i>	<i>n=17</i>	<i>n=45</i>	<i>n=2</i>	<i>n=15</i>	<i>n=17</i>
To save money	10%	6%	11%	0%	13%	12%
To reach a new target market	11%	12%	9%	50%	13%	18%
To "spice up" the look of our advertising	4%	0%	7%	0%	0%	0%
To execute a new strategy	8%	18%	4%	0%	7%	6%
To identify prospects	5%	6%	4%	0%	7%	6%
Other	80%	76%	80%	50%	87%	82%
<b>565-Was the recommendation to change the media mix initiated by the advertising agency or your firm?</b>						
<i>Base: strategy change resulted in media mix change</i>	<i>n=79</i>	<i>n=17</i>	<i>n=45</i>	<i>n=2</i>	<i>n=15</i>	<i>n=17</i>
Advertising agency	5%	12%	2%	0%	7%	6%
Firm	91%	82%	93%	100%	93%	94%
A collaborative effort between the agency and your firm	4%	6%	5%	0%	0%	0%
<b>570-Using a 5-point scale where 1 means "Completely Disagree" and 5 means "Completely Agree", please indicate the extent to which you agree or disagree with each of the following statements. (Percentage indicates percentage of respondents who had an agreement rating of 4 or 5.)</b>						
<i>Base</i>	<i>n=205</i>	<i>n=55</i>	<i>n=100</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Broadcast media advertising is best for brand building	40%	54%	25%	48%	57%	53%
When the company needs to know the direct ROI from a campaign, I use a direct response medium	33%	37%	32%	40%	25%	31%
Given the new design and production technologies, our company is increasing the in-house printing of our own sales collateral	43%	27%	53%	29%	52%	42%
I am aware of the new print technology capabilities for personalization	62%	73%	54%	71%	61%	65%

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Targeted campaigns outperform mass-market campaigns	81%	87%	81%	81%	69%	74%
We get better response rates with email campaigns than printed mail	26%	27%	24%	28%	29%	28%
Broadcast media advertising is best for driving store traffic	27%	33%	23%	33%	21%	27%
I have been shown samples of printed communication material to illustrate the capabilities of new technologies by an ad agency	36%	38%	36%	32%	31%	31%
My advertising agency has presented creative ideas for personalization strategies	36%	37%	43%	6%	20%	20%
<b>572-Using a scale from 1 to 10, where "1" means "No impact at all" and "10" means "An extremely positive impact", please rate the following five attributes in terms of the impact that personalized communication has on each attribute.</b> (Percentage indicates percent of respondents who assigned a rating of 8, 9, or 10 to each attribute.)						
Reducing print and mailing costs	33%	27%	35%	33%	34%	34%
Improving the reader's ability to locate information	39%	40%	40%	43%	31%	36%
Improving response rates	42%	45%	40%	52%	38%	44%
Improving customer retention	46%	51%	42%	57%	41%	48%
Improving reader's ability to understand and retain information	32%	35%	31%	38%	24%	30%
<b>575-Have you ever used personalized communication in your marketing campaigns?</b>						
<i>Net Answering</i>	200	52	98	21	29	50
Yes	75%	85%	70%	71%	76%	74%
No	25%	15%	30%	29%	24%	26%
<b>580-In the past year, what percentage of your campaigns involved personalized communication with your customer?</b>						
<i>Base: has used personalizd communication</i>	<i>n=150</i>	<i>n=44</i>	<i>n=69</i>	<i>n=15</i>	<i>n=22</i>	<i>n=37</i>
<i>Net answering</i>	<i>n=148</i>	<i>n=44</i>	<i>n=69</i>	<i>n=14</i>	<i>n=21</i>	<i>n=35</i>
0%	3%	2%	4%	7%		3%
1 - 4%	8%	7%	7%	21%	5%	11%
5-9%	12%	9%	14%	21%	5%	11%
10-14%	12%	16%	6%	0%	33%	20%
15-19%	3%	2%	4%	7%	0%	3%
20-29%	16%	11%	22%	0%	14%	9%
40-49%	8%	7%	9%	21%	0%	9%
30-39%	6%	2%	7%	0%	14%	9%
50-69%	12%	18%	9%	7%	14%	11%

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
70-99%	15%	18%	16%	14%	5%	9%
100% or more	4%	7%	1%	0%	10%	6%

**582-Now, I am going to read a list of extents to which you might personalize communications. Please distribute 100 points among these five items to indicate how often you produce personalized communications and to what degree they are personalized.**

<i>Base: has used personalized communication</i>	<i>n=143</i>	<i>n=43</i>	<i>n=66</i>	<i>n=13</i>	<i>n=21</i>	<i>n=34</i>
Variable address and/or salutation	50%	51%	51%	55%	40%	46%
Variable address and/or numerical information that goes into fixed fields	19%	20%	16%	19%	26%	24%
Variable address, text, and/or numerical information that goes into dynamic fields	14%	14%	15%	12%	15%	14%
Variable text or numerical information and graphics	10%	9%	12%	5%	10%	8%
Variable text or numerical information and variable graphics	8%	6%	8%	9%	9%	9%

**585-What are the obstacles to using personalized communications in your marketing campaigns?**

<i>Base: those who have not used personalized communications</i>	<i>n=50</i>	<i>n=8</i>	<i>n=29</i>	<i>n=6</i>	<i>n=7</i>	<i>n=13</i>
Not sure or declined to answer	10	2	4	1	3	4
Lack of a suitable database	8%	25%	3%	17%	0%	8%
Cost	20%	13%	24%	17%	14%	15%
Design constraints/Lack of creative flexibility	2%	0%	3%	0%	0%	0%
Lack of knowledge of agency	2%	0%	3%	0%	0%	0%
Lack of need	6%	0%	3%	17%	14%	15%
Our own lack of experience with this new approach	2%	0%	0%	17%	0%	8%
Lack of results (Not successful on earlier attempts)	2%	0%	3%	0%	0%	0%
Lack of awareness	6%	0%	7%	17%	0%	8%
Some other obstacle	54%	50%	62%	50%	29%	38%

**Q-586 - Please specify the other obstacles in using personalized communications. (Multiple responses, n=29)**

<i>Base</i>	<i>n=27</i>				
Customer base	33%				
Lack of resources (including: time, manpower, change of personnel and software packages)	22%				
Technology	15%				
Acquiring accurate information and relevant customer databases	11%				
Inexperience	11%				



Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Achieving their target	4%					
In B2B marketplace, do not know end user	4%					
Cost	4%					
No EQI	4%					
Total % of multiple responses	108%					

**590-Now we would like to discuss how your firm typically measures the result of a campaign. I am going to read you a list of ways you may or may not measure the results of a campaign. For each, please indicate if you always, sometimes or never use this method. (Results indicate "Always" response)**

Base	n=205	n=55	n=100	n=21	n=29	n=50
Sales leads	50%	33%	64%	15%	59%	41%
Number of orders placed	46%	40%	49%	48%	46%	47%
Change in sales (before/after measure)	49%	48%	42%	76%	55%	64%
Change in number of calls to an 800 number	15%	11%	15%	11%	25%	19%
Change in number of calls to an 800 number	25%	13%	30%	26%	32%	30%
Response rate of a direct mail piece	47%	49%	48%	47%	41%	44%
Retail traffic/Store counts	12%	7%	3%	55%	14%	31%
Post-advertising awareness measure	11%	13%	8%	19%	11%	14%
Customer retention	34%	35%	34%	33%	34%	34%
Other methods	13%	18%	8%	25%	10%	16%

**595-Who typically measures the results of a campaign— you, the advertising agency, or a third party?**

Net answering	n=204	n=55	n=100	n=21	n=29	n=50
You	75%	78%	74%	71%	79%	76%
The advertising agency	1%	2%			3%	2%
A third party	10%	7%	12%	14%	7%	10%
A collaborative effort	13%	13%	14%	14%	10%	12%

**600-Now we would like to change topics and discuss marketing databases. Do you maintain a database of your customers internally or do you outsource it?**

Maintain internally	94%	91%	97%	75%	100%	90%
Outsource	5%	7%	1%	25%	0%	10%
We do not have a database of customers	1%	2%	2%	0%	0%	0%

**605-How often is the database updated, either with new customers or updates of information about current customers, such as sales transactions, contact with sales force, etc?**

Base: respondents who maintain a database internally or outsource	n=201	n=54	n=98	n=20	n=29	n=49
Net answering	n=195	n=54	n=95	n=19	n=27	n=46

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Hourly	13%	11%	17%	5%	7%	7%
Daily	48%	41%	53%	37%	56%	48%
Weekly	15%	11%	17%	26%	11%	17%
Monthly	17%	31%	8%	26%	15%	20%
Semi-annually	3%	4%	2%	5%	4%	4%
Annually	3%	2%	3%	0%	7%	4%

## 610-How does the new data get entered into the database?

Base: respondents who maintain a database internally or outsource	n=201	n=54	n=98	n=20	n=29	n=49
Website data capture of visitors or online ordering	48%	39%	48%	60%	55%	57%
A telephone sales representative enters the data (e.g. call centers)	58%	52%	66%	55%	45%	49%
Manual data entry from paper forms	79%	74%	82%	65%	90%	80%
Automatic data entry via email contact with customer	39%	31%	41%	45%	45%	45%
Data collection at retail outlets	24%	41%	4%	70%	28%	45%
Downloading from outsource services vendor (e.g. fulfillment service)	30%	41%	21%	30%	38%	35%
Other	15%	22%	14%	10%	10%	10%

## 620-Using a scale of 1 to 5 where "1" means: "Needs extensive cleaning" and "5" means "Clean, no additional cleaning is needed", how clean is the data you pull from your customer database?

Base: respondents who maintain a database internally or outsource	n=201	n=54	n=98	n=20	n=29	n=49
Not sure	3%	0%	6%	5%	0%	2%
Decline to answer	1%	0%	2%	0%	0%	0%
Percentage indicates percent of respondents who assigned a rating of 4 or 5	60%	69%	59%	53%	52%	52%
Percentage indicates percent of respondents who assigned a rating of 1 or 2	15%	7%	17%	21%	21%	21%
5- Clean, no additional cleaning is needed	24%	31%	20%	26%	24%	25%
4	35%	37%	39%	26%	28%	27%
3	25%	24%	24%	26%	28%	27%
2	11%	7%	11%	21%	14%	17%
1-Needs extensive cleaning	4%	0%	6%	0%	7%	4%

## 625- What software applications do you use to manage your customer database? (Multiple responses, n=160)

Base: respondents who maintain a database internally or outsource	n=201					
Net answering	n=64					

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
In-house	17%					
Access	16%					
ACT	13%					
Microsoft Excel	11%					
Microsoft Works, Outlook	5%					
Goldmine	4%					
Microsoft Windows	3%					
Siebel	3%					
Outsource	3%					
Oracle	3%					
Global Shop	2%					
Total % of multiple responses	80%					
53 others -all having 1 or 2 respondents at 1% = 35%						
<b>627-Do you use a CRM system?</b>						
<i>Base: respondents who maintain a database internally or outsource</i>	<i>n=201</i>	<i>n=54</i>	<i>n=98</i>	<i>n=20</i>	<i>n=29</i>	<i>n=49</i>
<i>Net answering</i>	<i>170</i>	<i>49</i>	<i>77</i>	<i>15</i>	<i>29</i>	<i>44</i>
Yes	25%	33%	23%	7%	24%	18%
No	75%	67%	77%	93%	76%	82%
<b>628-What vendor software are you using for your CRM system? (Multiple Responses, n=35)</b>						
<i>Base: respondents using a CRM system</i>	<i>n=33</i>					
Custom	24%					
Siebel	12%					
Harland	12%					
ACT	6%					
Exite	3%					
Goldmine	3%					
Maxsell	3%					
IMIN	3%					
Junxure	3%					
Maximizer	3%					
Web based	3%					
Oracle	3%					

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
On contact	3%					
Salesforce.com	3%					
SAP	3%					
Telemagic	3%					
Touchtone	3%					
Unica	3%					
Tour de Force	3%					
Wallet share	3%					
Outsource	3%					
Total % of multiple responses	105%					
<b>630-Which of the following capabilities do you use in managing your customer database?</b>						
<i>Base: respondents who maintain a database internally or outsource</i>	<i>n=201</i>	<i>n=54</i>	<i>n=98</i>	<i>n=20</i>	<i>n=29</i>	<i>n=49</i>
Digital asset manager	6%	9%	5%	10%	3%	6%
Data mining	31%	48%	23%	30%	28%	29%
Campaign management	28%	46%	19%	25%	28%	27%
Sales force management	57%	61%	61%	20%	62%	45%
Data cleansing software	20%	26%	10%	35%	31%	33%
None of these	21%	15%	23%	30%	21%	24%
Not sure	6%	6%	8%	5%	0%	2%
<b>632-What specific Data Mining Software do you use? (Multiple responses, n=36)</b>						
<i>Base: respondents using data mining</i>	<i>n=34</i>					
Custom	32%					
Harland	12%					
Goldmine	6%					
Manual	6%					
Generic	3%					
Marquis	3%					
Peachtree	3%					
Sales logic	3%					
SAP	3%					
PRMS	3%					
Microsoft Excel	3%					

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Outsource	3%					
SBT (Santa Barbara Technologies)	3%					
Modo One	3%					
Impromptu and Sequel server	3%					
Touchtone 2000	3%					
Part of CRM package	3%					
Unica	3%					
Built into data processor	3%					
Total % of multiple responses	101%					
<b>633-What specific Campaign Management Software do you use? (Multiple responses, n=34)</b>						
<i>Base: respondents using campaign management</i>	<i>n=32</i>					
Custom	31%					
Harland	13%					
Microsoft	10%					
Access	7%					
ACT	7%					
Affinium	3%					
Siebel	3%					
Maxsell	3%					
Centrax	3%					
Made to manage	3%					
Marquis	3%					
PRMS	3%					
SAP	3%					
Touche	3%					
Unica	3%					
Do not use any	3%					
Total % of multiple responses	101%					
<b>634-What specific Sales Force Management Software do you use? (Multiple responses, n=71)</b>						
<i>Base: respondents using sales force management software</i>	<i>n=70</i>					
ACT	18%					
Custom	18%					
Goldmind	12%					

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Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
None	6%					
Access	5%					
Salesforce.com	5%					
Lotus	5%					
Harland	3%					
Made to manage	3%					
SAP	3%					
Siebel	3%					
SBT	1%					
Advent AXYS	1%					
AS 400	1%					
Blue matrix	1%					
Commence	1%					
Data processor	1%					
Manager Gold	1%					
Maximizer	1%					
Motivator	1%					
Global Shop	1%					
Phoenix System	1%					
Platinum	1%					
PRMS. EXCEL	1%					
Excel	1%					
Sales Logic	1%					
Sales tracker	1%					
Same sales automatic manage	1%					
Symix	1%					
XP	1%					
Total % of multiple responses	100%					
<b>635-What specific Data Cleansing Software do you use? (Multiple responses, n=14)</b>						
<i>Base: respondents using data cleansing software</i>	<i>n=13</i>					
Custom	15%					
Access	8%					
Data processor	8%					

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Through vendor	8%					
Group One	8%					
Marquis	8%					
Norton	8%					
Outsourced	8%					
VAX system	8%					
Sales Logic	8%					
Smart addresser (NCOA)	8%					
Pitney Bowes -Smart Mailer	8%					
Total % of multiple responses	103%					
<b>640-Does your firm have in-house print capabilities?</b>						
<i>Base: respondents who maintain a database internally or outsource</i>	<i>n=201</i>	<i>n=54</i>	<i>n=98</i>	<i>n=20</i>	<i>n=29</i>	<i>n=49</i>
<i>Net answering</i>	<i>n=200</i>	<i>n=54</i>	<i>n=98</i>	<i>n=20</i>	<i>n=29</i>	<i>n=49</i>
Yes	56%	43%	64%	45%	62%	55%
No	44%	57%	36%	55%	38%	45%
<b>645-Which of the following in-house capabilities do you use to communicate with your customers?</b>						
<i>Base: respondents having in-house print capabilities</i>	<i>n=112</i>	<i>n=23</i>	<i>n=62</i>	<i>n=9</i>	<i>n=18</i>	<i>n=27</i>
In-line inkjet printing (e.g. for financial statements billing)	69%	74%	69%	67%	61%	63%
Offset printing (lithography)	21%	52%	8%	44%	17%	26%
Digital color/production copiers	67%	74%	60%	89%	72%	78%
Black and white copier (e.g. Xerox)	88%	91%	85%	89%	94%	93%
Laser printing	93%	96%	92%	78%	100%	93%
Other	6%	4%	6%	0%	11%	7%
Not sure	1%	0%	2%	0%	0%	0%
<b>650-Do you integrate your marketing database and customer relationship packages with your in-house printing technology?</b>						
<i>Base: respondents having in-house printing capabilities</i>	<i>n=112</i>	<i>n=23</i>	<i>n=62</i>	<i>n=9</i>	<i>n=18</i>	<i>n=27</i>
Not sure	4%	0%	3%	0%	11%	7%
Yes	51%	52%	45%	44%	75%	64%
No	49%	48%	55%	56%	25%	36%

# Appendix B

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
<b>652-On a scale from 1 to 10 where "1" means "Integrated very poorly" and "10" means "Integrated very well", please rate how well your marketing database and customer relationship packages are integrated with your in-house printing technology.</b>						
<i>Base: respondent integrated db with in-house printing technology</i>	n=55	n=12	n=27	n=4	n=12	n=16
Mean	6.2	7.5	5.7	6.0	6.0	6.0
Percent respondents who indicated a 10 or 9	15%	33%	4%	0%	25%	19%
Percent respondents who indicated a 1 or 2	7%	0%	11%	0%	25%	6%
10-Integrated very well	15%	33%	4%	0%	0%	19%
9-	0%	0%	0%	0%	0%	0%
8-	25%	17%	37%	50%	8%	13%
7-	9%	33%	0%	0%	25%	6%
6-	13%	0%	15%	0%	17%	19%
5-	13%	0%	15%	25%	0%	19%
4-	2%	0%	4%	0%	8%	0%
3-	16%	17%	15%	25%	17%	19%
2-	4%	0%	0%	0%	0%	0%
1- Integrated very poorly	4%	0%	0%	0%	8%	6%
<b>660-In your opinion, what does your firm need in order to create an enterprise-wide solution to more effectively leverage the information about your customers with your marketing messages? Due to a wide variety of responses, only the top 10 were published. (Multiple responses, n=188)</b>						
<i>Base: respondents who maintain a database internally or outsource</i>	n=164					
CRM package	17%					
Clean customer database	9%					
More resources	9%					
Nothing	9%					
Better internal communication and training	8%					
Training and education	7%					
Additional staff and MIS support	7%					
Web based CRM	7%					
Money	7%					
Larger budget	6%					
Total	86%					



Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
<b>700-Next, we would like to discuss print media. Does your advertising agency buy printing on your behalf?</b>						
<i>Base</i>	<i>n=205</i>	<i>n=55</i>	<i>n=100</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Not sure	1%	2%	2%	0%	0%	0%
Decline to answer	3%	4%	1%	0%	10%	6%
Yes	36%	42%	35%	33%	27%	30%
No	64%	58%	65%	67%	73%	70%
<b>705-Who typically makes the choice in printing service provider selection?</b>						
<i>Base: advertising agency buys printing</i>	<i>n=70</i>	<i>n=22</i>	<i>n=34</i>	<i>n=7</i>	<i>n=7</i>	<i>n=14</i>
Advertising agency	31%	32%	32%	29%	29%	29%
Our company	26%	18%	26%	29%	43%	36%
Our company and the advertising agency make a joint decision	43%	50%	41%	43%	29%	36%
<b>710-What are your company's printing capabilities?</b>						
<i>Base</i>	<i>n=205</i>	<i>n=55</i>	<i>n=100</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Not sure	1%	0%	3%	0%	0%	0%
Decline to answer	3%	2%	2%	10%	3%	6%
We do all the design work in-house and outsource print production	32%	26%	34%	47%	25%	34%
We print everything in-house	3%	4%	3%	0%	0%	0%
We primarily print in-house, we only outsource for a particular print process (ex., wide format)	28%	22%	28%	16%	43%	32%
We outsource all of our printing to a print provider	34%	35%	33%	37%	32%	34%
We deal with a broker	5%	13%	2%	0%	0%	0%
<b>715-How many commercial printers does your company work with at any one time?</b>						
<i>Base: respondents not printing everything in-house</i>	<i>n=200</i>	<i>n=53</i>	<i>n=97</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
1	26%	4%	18%	1%	4%	5%
2	27%	8%	13%	3%	3%	6%
3	24%	7%	8%	4%	4%	8%
4	6%	3%	1%	0%	2%	2%
5	8%	2%	4%	2%	1%	3%
6	6%	1%	4%	0%	1%	1%
7	1%	1%	0%	0%	1%	1%
8	1%	1%	1%	0%	0%	0%
10	1%	0%	0%	1%	0%	1%

# Appendix B

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
12	1%	1%	0%	0%	0%	0%
20	1%	1%	0%	0%	0%	0%
<b>720-On average, what is the typical length of a relationship between your company and a printing service provider?</b>						
<i>Base: respondents working with one or more commercial printers</i>	<i>n=190</i>	<i>n=51</i>	<i>n=92</i>	<i>n=19</i>	<i>n=28</i>	<i>n=47</i>
1-5 years	61%	13%	28%	8%	12%	20%
6-10 years	28%	11%	14%	2%	2%	4%
11-15 years	4%	2%	2%	0%	0%	0%
16-20 years	5%	2%	3%	1%	0%	1%
21-25 years	2%	0%	1%	0%	1%	1%
50 years	1%	0%	1%	0%	0%	0%
<b>725-In the past year, have you started using a new or additional printing service provider?</b>						
<i>Base: respondents not printing everything in-house</i>	<i>n=200</i>	<i>n=53</i>	<i>n=97</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Not sure	2%	0%	3%	5%	0%	2%
Yes	39%	36%	37%	60%	38%	47%
No	61%	64%	63%	40%	62%	53%
<b>730-Using a scale from 1 to 10, where 1 means "Not at all important" and 10 means "Very important", please rate the importance of each of the following when selecting a printing service provider. (Percentage indicates percent of respondents who assigned an importance rating of 8, 9, or 10)</b>						
<i>Base</i>	<i>n=205</i>	<i>n=55</i>	<i>n=100</i>	<i>n=21</i>	<i>n=29</i>	<i>n=50</i>
Price	73%	77%	72%	71%	69%	70%
Print quality	88%	87%	89%	90%	86%	88%
The specific printing technology used by the provider	39%	29%	40%	48%	45%	46%
Turnaround time	78%	83%	70%	90%	83%	86%
Geographic proximity	42%	40%	40%	50%	45%	47%
Ease of doing business	85%	85%	83%	81%	93%	88%
Dependability	92%	91%	91%	90%	97%	94%
Unique capabilities	25%	32%	22%	29%	21%	24%
Personalization	39%	42%	38%	29%	45%	38%
Binding and finishing capabilities	44%	42%	41%	38%	59%	50%
Ability to print on a wide range of paper stocks	46%	49%	39%	57%	52%	54%
<b>735-How often for the following situations or marketing objectives do you recommend print as a marketing communication tool? Please indicate always, sometimes or never. (Results reflect responses of "Always")</b>						

Questions	Total	Financial Services	Manufacturing	Retail	Other Target Firm	Retail/ Other Combined
Lead generation	25%	22%	28%	15%	31%	24%
Customer acquisition	25%	31%	21%	35%	21%	27%
Customer retention/loyalty	26%	33%	21%	35%	28%	31%
Brand positioning	28%	33%	26%	35%	21%	27%
Cross selling/up selling	19%	25%	19%	10%	14%	12%
Increase brand awareness	41%	38%	46%	38%	31%	34%
Introduce a new product	62%	62%	73%	30%	45%	39%
Promotions or special offers	42%	49%	36%	65%	34%	47%
To drive retail traffic	23%	24%	13%	57%	26%	40%
Sales support	41%	24%	50%	45%	38%	41%
<b>800-Now we have just a few final questions relating to you and your firm. How would you characterize the nature of your firm? Would you say it is a ... ?</b>						
Business-to-business company	67%	33%	100%	14%	55%	38%
Business-to-consumer company	23%	42%	0%	76%	28%	48%
Both	10%	25%	0%	10%	17%	14%
<b>805-What is the size of your firm in terms of the number of domestic employees?</b>						
Decline to answer	1%	0%	3%	0%	0%	0%
Less than 100	39%	36%	36%	45%	48%	47%
100-499	33%	40%	35%	5%	34%	22%
500-999	8%	9%	8%	5%	7%	6%
1,000-4,999	13%	9%	15%	20%	7%	12%
5,000-9,999	2%	4%	1%	5%	3%	4%
10,000 +	4%	2%	4%	20%	0%	8%
<b>815-What is the highest level of education you have completed or the highest degree you have received?</b>						
Decline to answer	1%	0%	1%	5%	3%	4%
High school or equivalent (e.g. GED)	1%	0%	3%	0%	0%	0%
Some college, but no degree	4%	4%	5%	0%	4%	2%
Associate's degree	5%	5%	7%	0%	4%	2%
College (e.g. BA, BS)	57%	53%	54%	65%	71%	69%
Some graduate school, but no degree	1%	2%	1%	5%	0%	2%
Graduate school (e.g. MS, MD, PhD)	31%	36%	30%	30%	21%	25%
<b>830-Gender</b>						
Male	67%	42%	80%	67%	72%	70%
Female	33%	58%	20%	33%	28%	30%



# Appendix C: Results by Marketing Communication Budget Size

Answers highlighted have a significance of  $p \leq .05$  or better.

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
<b>345- Size of firm (number of employees)</b>			
<i>Base</i>	<i>n=143</i>	<i>n=106</i>	<i>n=37</i>
1-20	19%	17%	24%
21-60	19%	26%	0%
61-120	16%	17%	14%
121-240	17%	18%	14%
241-1000	20%	20%	19%
1001+	10%	3%	30%
<b>350- Firm type</b>			
Financial services firm	27%	25%	29%
Manufacturing firm	49%	55%	29%
Retail firm	10%	4%	27%
Other target firm	14%	14%	15%
<b>425- Which of the following best describes your role in the selections of media for your company's marketing campaigns?</b>			
You are the sole decision maker regarding the selection of media for your company's marketing campaigns	27%	29%	22%
You are one of a group of decision makers	67%	65%	71%
You recommend strategies for the selection of media, but you have no role in the final decision	6%	6%	6%
<b>500- First, we'd like to discuss your company's marketing communications strategy. What is the size of your marketing communications budget for the U.S. market in dollars?</b>			
<i>Net answering</i>	<i>n=163</i>	<i>n=114</i>	<i>n=49</i>
Not sure or declined to answer	42		
Less than \$449,999	55%	79%	0%
\$450,000-\$999,999	15%	21%	0%

# Appendix C

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
\$1,000,000-\$9,999,999	20%	0%	67%
\$10,000,000 or more	10%	0%	33%
<b>505- What is the approximate size of your marketing budget for the U.S. market as a percent of revenue?</b>			
<i>Net answering</i>	<i>n=141</i>	<i>n=100</i>	<i>n=41</i>
Not sure or declined to answer	38		
0% of revenue	6%	8%	2%
1-4% of revenue	57%	55%	61%
5-9% of revenue	16%	16%	17%
10-14% of revenue	9%	9%	10%
15-100% of revenue	11%	12%	10%
<b>510- Does this budget include sales force compensation and support?</b>			
Yes	12%	12%	14%
No	88%	89%	86%
<b>515- In the last year, did you use the services of an advertising agency?</b>			
Yes	50%	44%	63%
No	50%	56%	37%
<b>520- How many different agencies did you use?</b>			
<i>Base respondents</i>	<i>n=109</i>	<i>n=50</i>	<i>n=31</i>
1	62%	64%	58%
2	22%	20%	16%
3+	16%	16%	16%
<b>525- What services did agency #1 provide? (indicate all that come to mind)</b>			
Graphic design	47%	48%	45%
Brand consulting	28%	26%	32%
Corporate identity	30%	30%	29%
Creative development	53%	52%	55%
Customer relationship management	10%	8%	13%
Digital branding/Web development	31%	32%	29%
Direct marketing	32%	32%	32%
Media planning/Buying	43%	46%	39%
Public relations	21%	20%	23%
Sales promotion/collateral development	37%	36%	39%
Advertising production/Print production	57%	60%	52%

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
Trade show services	17%	22%	10%
Other services	41%	38%	45%
<b>900- Is agency #1 on retainer, or do you work with them on a project-by-project basis?</b>			
<i>Base: respondents using an ad agency</i>	<i>n=81</i>	<i>n=50</i>	<i>n=31</i>
Decline to answer	1		
On retainer	28%	22%	39%
Project-by-project basis	72%	78%	61%
<b>527-What services did agency #2 provide?</b>			
Graphic design	45%	44%	46%
Brand consulting	16%	17%	15%
Corporate identity	23%	28%	15%
Creative development	48%	44%	54%
Customer relationship management	13%	11%	15%
Digital branding/Web development	16%	17%	15%
Direct marketing	29%	33%	23%
Media planning/Buying	26%	28%	23%
Public relations	10%	11%	8%
Sales promotion/collateral development	23%	22%	23%
Advertising production/Print production	42%	44%	39%
Trade show services	16%	11%	23%
Other services	23%	22%	23%
<b>905- Is agency #2 on retainer, or do you work with them on a project-by-project basis?</b>			
<i>Base: respondents using an ad agency</i>	<i>n=31</i>	<i>n=18</i>	<i>n=13</i>
On retainer	16%	17%	15%
Project-by-project basis	84%	83%	85%
<b>529-What services did agency #3 provide?</b>			
Graphic design	31%	38%	20%
Brand consulting	8%	0%	20%
Corporate identity	0%	0%	0%
Creative development	46%	38%	60%
Customer relationship management	8%	0%	20%
Digital branding/Web development	8%	13%	0%
Direct marketing	23%	25%	20%

# Appendix C

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
Media planning/Buying	15%	0%	40%
Public relations	0%	0%	0%
Sales promotion/collateral development	23%	13%	40%
Advertising production/Print production	39%	25%	60%
Trade show services	15%	13%	20%
Other services	39%	50%	20%
<b>910- Is agency #3 on retainer, or do you work with them on a project-by-project basis?</b>			
<i>Base: respondents using an ad agency</i>	<i>n=13</i>	<i>n=8</i>	<i>n=5</i>
On retainer	15%	13%	20%
Project-by-project basis	85%	88%	80%
<b>535- In the majority of marketing campaigns you have been involved in with your firm, are you PROVIDING action for the agency, or TAKING action from the agency?</b>			
<i>Base: respondents using an ad agency</i>	<i>n=109</i>		
<i>Net answering</i>	<i>n=80</i>	<i>n=49</i>	<i>n=31</i>
Providing direction to the agency	65%	63%	68%
Taking direction from the agency	3%	3%	3%
It is a collaborative interaction	30%	31%	29%
It all depends on the nature of the situation of the campaign	3%	4%	0%
<b>550- Now I'm going to read a list of media types. Please tell me, in the last year, what percent of your media budget was spent on each?</b> Please keep in mind that the percentage spent across all media should add up to 100%.			
<i>Base</i>	<i>n=162</i>	<i>n=113</i>	<i>n=49</i>
Print advertising	34%	34%	32%
Direct mail	15%	16%	14%
Radio advertising	3%	2%	6%
Television advertising	4%	3%	6%
Outdoor or transit advertising	2%	2%	3%
Internet-based activities	15%	17%	11%
Sales collateral	16%	15%	18%
Email campaigns	5%	5%	5%
Other media	6%	7%	6%
<b>555- In the past year, has your firm changed its marketing strategy that resulted in a change of the media mix?</b>			
Yes	39%	46%	25%
No	61%	54%	76%



Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
<b>560- What were the reasons for the change in your firm's strategy?</b>			
<i>Base: strategy change resulted in media mix change</i>	n=64	n=52	n=12
To save money	11%	12%	8%
To reach a new target market	11%	8%	25%
To "spice up" the look of our advertising	2%	2%	0%
To execute a new strategy	9%	10%	8%
To identify prospects	6%	8%	0%
Other	81%	83%	75%
<b>565- Was the recommendation to change the media mix initiated by the advertising agency or your firm?</b>			
<i>Base: strategy change resulted in media mix change</i>	n=62	n=51	n=11
Advertising agency	5%	6%	0%
Firm	92%	92%	91%
A collaborative effort between the agency and your firm	3%	2%	9%
<b>570- Using a 5-point scale where 1 means "Completely Disagree" and 5 means "Completely Agree", please indicate the extent to which you agree or disagree with the following statements. (Percentage indicates percent of respondents who responded with an agreement rating of 4 or 5)</b>			
<i>Base</i>	n=155	n=106	n=49
Broadcast media advertising is best for brand building	40%	33.9%	53.1%
When the company needs to know the direct ROI from a campaign, I use a direct response medium	31.6%	29.0%	37.5%
Given the new design and production technologies, our company is increasing the in-house printing of our own sales collateral	41.8%	45.6%	32.6%
I am aware of the new print technology capabilities for personalization	61.1%	53.1%	79.6%
Targeted campaigns outperform mass-market campaigns	82.1%	83.2%	79.5%
We get better response rates with email campaigns than printed mail	28%	26.6%	31.1%
Broadcast media advertising is best for driving store traffic	27.8%	29.1%	25.0%
I have been shown samples of printed communication material to illustrate the capabilities of new technologies by an ad agency	32.7%	30.6%	37.5%
My advertising agency has presented creative ideas for personalization strategies	35.5%	34.0%	39.0%
<b>572- Using a scale from 1 to 10, where "1" means "No impact at all" and "10" means "An extremely positively impact", please rate the following five attributes in terms of the impact that personalized communication has had on each attribute. (Percentage indicates respondents who indicated an 8, 9, or 10)</b>			
Reducing print and mailing costs	36%	34%	41%
Improving the reader's ability to locate information	38%	36%	43%
Improving response rates	43%	40%	50%
Improving customer retention	49%	45%	58%

# Appendix C

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
Improving the reader's ability to understand and retain information	32%	34%	27%
<b>575- Have you ever used personalized communication in your marketing campaigns?</b>			
<i>Net answering</i>	<i>n=161</i>	<i>n=112</i>	<i>n=49</i>
Yes	75%	75%	74%
No	25%	25%	26%
<b>580- In the past year, what percentage of your campaigns involved personalized communication with your customer?</b>			
<i>Base: has personalized communication</i>	<i>n=120</i>	<i>n=84</i>	<i>n=36</i>
0%	4%	5%	3%
1-4%	8%	5%	14%
5-9%	13%	12%	14%
10-14%	13%	16%	8%
15-19%	3%	2%	6%
20-29%	16%	12%	25%
30-39%	7%	7%	6%
40-49%	7%	8%	3%
50-69%	9%	10%	8%
70-99%	16%	19%	8%
100% or more	5%	5%	6%
<b>582- Now, I am going to read a list of extents to which you might personalize communications. Please distribute 100 points among these five items to indicate how often you produce personalized communications and to what degree they are personalized.</b>			
<i>Base: has used personalized communication</i>	<i>n=103</i>	<i>n=72</i>	<i>n=31</i>
Variable address and/or salutation	48%	45%	57%
Variable address and/or numerical information that goes into dynamic fields	19%	19%	19%
Variable address, text and/or numerical information that goes into dynamic fields	15%	16%	12%
Variable text or numerical information and graphics	11%	13%	7%
Variable text or numerical information and variable graphics	8%	9%	5%
<b>585- What are the obstacles to using personalized communications in your marketing campaigns?</b>			
<i>Base: Those who have <u>not</u> used personalized communications</i>	<i>n=41</i>	<i>n=28</i>	<i>n=13</i>
Lack of a suitable database	10%	7%	15%
Cost	20%	18%	23%
Design constraints/Lack of creative flexibility	2%	4%	0%
Lack of knowledge of agency	0%	0%	0%

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
Lack of need	7%	7%	8%
Our own lack of experience with this new approach	3%	0%	7%
Lack of results	2%	4%	0%
Lack of awareness	7%	7%	8%
Some other obstacle	56%	54%	62%
<b>590- Now we would like to discuss how your firm typically measures the results of a campaign. I am going to read you a list of ways in which you may or may not measure a campaign. For each, please indicate if you always, sometimes, or never use this method. Results indicate "always."</b>			
<i>Base</i>	<i>n=164</i>	<i>n=114</i>	<i>n=149</i>
Sales leads	49%	56%	35%
Number of orders placed	45%	43%	49%
Change in sales (before/after measures)	51%	47%	59%
Change in the number of calls to an 800 number	15%	16%	13%
Change in the number of hits to a website	25%	27%	20%
Response rate of a direct mail piece	43%	41%	49%
Retail traffic/store counts	12%	6%	26%
Post-advertising awareness measure	11%	12%	10%
Customer retention	32%	31%	35%
Other methods	13%	11%	17%
<b>595- Who typically measures the results of an ad campaign? You, the advertising agency, or a third party?</b>			
<i>Net answering</i>	<i>n=163</i>	<i>n=114</i>	<i>n=49</i>
You	77%	72%	77%
The advertising agency	1%	9%	0%
A third party	9%	2%	10%
A collaborative effort	13%	11%	18%
<b>600- Now we would like to change the topic and discuss marketing databases. Do you maintain a database of your customers internally, or do you outsource it?</b>			
Maintain internally	93%	97%	86%
Outsource	6%	2%	14%
We do not have a database of customers	1%	2%	0%
<b>605- How often is the database updated, either with new customers or updates of current customers, such as sales transactions, contact with sales force, etc.</b>			
<i>Net answering</i>	<i>n=158</i>	<i>n=110</i>	<i>n=48</i>
Hourly	11%	9%	15%
Daily	48%	51%	40%

# Appendix C

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
Weekly	15%	15%	15%
Monthly	19%	17%	23%
Semi-annually	3%	2%	6%
Annually	4%	5%	2%
<b>610- How does the new data get entered into the database?</b>			
<i>Base: respondents who maintain a database internally or outsource</i>	<i>n=161</i>	<i>n=113</i>	<i>n=48</i>
Website data capture of visitors or online ordering	48%	44%	56%
A telephone sales representative enters the data (e.g. call centers)	58%	55%	65%
Manual data entry from paper forms	79%	80%	76%
Automatic data entry via email contact with customers	39%	37%	47%
Data collection at retail outlets	24%	16%	43%
Downloading from outsourcing services vendor (e.g. fulfillment service)	30%	25%	43%
Other	15%	13%	18%
<b>620- Using a scale of 1-5, where "1" means: "Needs extensive cleaning" and "5" means: "Clean, no additional cleaning is needed", how clean is the data you pull from your customer database?</b>			
<i>Base: respondents who maintain a database internally or outsource</i>	<i>n=158</i>	<i>n=112</i>	<i>n=46</i>
5- Clean, no additional cleaning is needed	20%	20%	20%
4	37%	40%	30%
3	26%	22%	35%
2	12%	12%	13%
1- Needs extensive cleaning	4%	5%	2%
<b>627- Do you use a CRM system?</b>			
<i>Base: respondents who maintain a database internally or outsource</i>	<i>n=158</i>	<i>n=112</i>	<i>n=46</i>
<i>Net answering</i>	<i>144</i>	<i>103</i>	<i>41</i>
Yes	26%	24%	29%
No	74%	75%	71%
<b>630- Which of the following capabilities do you use in managing your customer database?</b>			
<i>Base: respondents who maintain a database internally or outsource</i>	<i>n=158</i>	<i>n=112</i>	<i>n=46</i>
Digital asset manager	7%	5%	10%
Data mining	29%	25%	41%
Campaign management	29%	22%	45%
Sales force management software	57%	57%	55%
Data cleansing software	19%	13%	33%

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
None of these	23%	27%	14%
Not sure	4%	3%	8%
<b>640- Does your firm have in-house print capabilities?</b>			
<i>Net answering</i>	<i>n=164</i>	<i>n=114</i>	<i>n=49</i>
Yes	55%	59%	45%
No	45%	39%	55%
<b>645- Which of the following in-house capabilities do you use to communicate with your customers?</b>			
<i>Respondents having in-house print capabilities</i>	<i>n=89</i>	<i>n=67</i>	<i>n=22</i>
In-line ink jet printing (e.g. for financial statements billing)	66%	67%	64%
Offset printing (lithography)	19%	16%	27%
Digital color/production copiers	66%	61%	82%
Black and white copier (e.g. Xerox)	90%	90%	91%
Laser printing	93%	93%	96%
Other	6%	5%	0%
Not sure	0%	0%	0%
<b>650- Do you integrate your marketing database and customer relationship packages with your in-house printing technology?</b>			
<i>Respondents having in-house print capabilities</i>	<i>n=88</i>	<i>n=66</i>	<i>n=22</i>
Yes	51%	55%	41%
No	49%	46%	59%
<b>652- On a scale of 1 to 10 where "1" means "Integrated very poorly" and "10" means "Integrated very well", please rate how well your marketing database and customer relationship packages are integrated with your in-house technology.</b>			
Mean	6.5	5.4	6.5
10- Integrated very well	19%	27%	0%
9	0%	0%	0%
8	26%	27%	23%
7	7%	7%	8%
6	14%	17%	8%
5	14%	7%	31%
4	2%	0%	8%
3	14%	10%	23%
2	2%	3%	0%
1- Integrated very poorly	2%	3%	0%

# Appendix C

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
<b>700- Next we would like to discuss print media. Does your ad agency buy print media on your behalf?</b>			
<i>Net answering</i>	<i>n=157</i>	<i>n=109</i>	<i>n=48</i>
Not sure	0%	0%	0%
Decline to answer	0%	0%	0%
Yes	32%	29%	41%
No	68%	71%	59%
<b>705- Who typically makes the choice in printing service provider selection?</b>			
<i>Base: advertising agency buys printing</i>	<i>n=51</i>	<i>n=30</i>	<i>n=21</i>
Advertising agency	33%	42%	20%
Our company	24%	29%	15%
Advertising agency and our company make a joint decision	43%	29%	65%
<b>710- What are your company's printing capabilities?</b>			
<i>Base</i>	<i>n=159</i>	<i>n=112</i>	<i>n=47</i>
Not sure	0%	0%	0%
Decline to answer	0%	0%	0%
We do all the design work in-house and outsource print production	33%	31%	38%
We print everything in-house	2%	3%	0%
We primarily print in-house, we only outsource for a particular process	29%	36%	13%
We outsource all of our printing to a print provider	30%	25%	43%
We deal with a broker	6%	5%	6%
<b>715- How many commercial printers does your company work with at any one time?</b>			
<i>Base: respondents not printing everything in-house</i>	<i>n=156</i>	<i>n=109</i>	<i>n=47</i>
1	28%	34%	13%
2	25%	27%	21%
3	24%	20%	34%
4	6%	6%	6%
5	8%	6%	13%
6	6%	5%	11%
8	1%	1%	2%
12	1%	1%	0%
<b>720- On average, what is the length of a relationship between your company and a printing service provider?</b>			
<i>Base: respondents working with one or more commercial printers</i>	<i>n=154</i>	<i>n=107</i>	<i>n=47</i>
1-5 years	59%	58%	62%

## Appendix C

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
6-10 years	25%	25%	26%
11-15 years	4%	5%	2%
16-20 years	5%	4%	9%
21-25 years	1%	2%	0%
26-50 years	1%	1%	0%
Over 50 years	3%	4%	2%
<b>725- In the past year have you started using a new or additional printing service provider?</b>			
<i>Base: respondents not printing everything in-house</i>	<i>n=160</i>	<i>n=112</i>	<i>n=48</i>
Not sure	2%	3%	0%
Yes	38%	35%	44%
No	61%	63%	56%
<b>730- Using a scale from 1 to 10 (10 is most important), please rate the importance of each of the following when selecting a printing service provider. (Percentage indicates respondents who selected an 8, 9, or 10)</b>			
<i>Base</i>	<i>n=160</i>	<i>n=111</i>	<i>n=49</i>
Price	72%	77%	61%
Print quality	89%	89%	88%
The specific printing technology used by the provider	35%	35%	34%
Turnaround time	81%	78%	90%
Geographic proximity	43%	41%	46%
Ease of doing business	86%	87%	84%
Dependability	91%	91%	92%
Unique capabilities	25%	23%	29%
Personalization	39%	40%	35%
Binding and finishing capabilities	41%	43%	35%
Ability to print on a wide range of paper stocks	44%	36%	61%
<b>735- How often for the following situations or marketing objectives do you recommend print as a marketing communication tool? (Results reflect responses of "Always")</b>			
Lead generation	25%	28%	17%
Customer acquisition	26%	25%	27%
Customer retention/loyalty	25%	28%	17%
Brand positioning	25%	24%	27%
Cross selling/Up selling	19%	22%	10%
Increase brand awareness	41%	42%	37%
Introduce a new product	64%	67%	56%

# Appendix C

Questions	Total	Marketing Budget Size	
		Under \$1 million	Over \$1 million
Promotion or special offers	43%	44%	40%
To drive retail traffic	22%	20%	26%
Sales support	41%	43%	37%
<b>800- Now we have just a few final questions relating to you and your firm. How would you characterize the nature of your firm? Would you say it is a....?</b>			
Business-to-business company	38%	39%	37%
Business-to-consumer company	41%	33%	51%
Both	21%	28%	11%
<b>805- What is the size of your firm in terms of the number of domestic employees?</b>			
Less than 100	40%	50%	17%
100 to 499	34%	35%	31%
500 to 999	8%	6%	13%
1,000 to 4,999	12%	7%	23%
5,000-9,999	1%	1%	2%
10,000+	5%	1%	15%
<b>815- What is the highest level of education you have completed or the highest degree you have received?</b>			
High school or equivalent	1%	0%	2%
Some college, but no degree	4%	6%	0%
Associate's degree	4%	5%	2%
Bachelor's degree	57%	53%	66%
Some graduate school, but no degree	1%	1%	2%
Graduate school	33%	35%	28%
<b>830- Gender</b>			
Male	68%	69%	63%
Female	33%	31%	37%







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