COLOR, EVOLUTION
AND THE ELECTRONIC PRINTING INDUSTRY

by WILLIAM J. "BILL" McCALPIN, EDP

In this year's first issue of the EDSF Report, (available online at http://www.edsf.org/Images/Report01-03.PDF), editor Frank Romano made some interesting observations about response rates to various forms of marketing communications. Here is what Frank said:

Unfortunately, the most effective

Romano's Laws of Response Rates:

Response Rate	Campaign Method
0.0002%	Mass e-mail blasts have a dismal response rate of .0002%. But they are so-o-o cheap.
0.011%	Telemarketing required 16 billion calls to reach 185 million purchasers—a response rate of .011%.
0.74%	Permission-based direct e-mail, based on customer relationships, has an average of .74%.
1.26%	Mass market printed direct mail has an average of 1.26%. Paper still delivers.
13.7%	Personalized color direct mail, based on database information, has an average response rate of 13.7%.

campaign methods are also the most expensive. However, as you can see, they are so much more effective that they become real alternatives, especially when you factor in these three trends in electronic printing: a variety of available color methods, variable data in color, and increasing regulation of non-paper media.

A Variety of Available Color Methods

To me, the really exciting thing about color in printing is not that color is available, it's that color is available in a variety of ways. The emergence of the "business color" or "just good enough color" model is a boon to the use of color in electronic printing. Why? We now have a variety of ways to add color, at a variety of speeds and at a variety of costs.

Some people need only highlight color. They want to highlight something but do not want to distract from the message. Some people want to use business color. Their need for speed and economy exceeds their need for near-offset quality appearance. And some people want that near-offset quality color, and are willing to pay for it.

We in Xplor had a similar situation back in the 80s when Xerox and IBM had competing standards on print resolution. Xerox (and most other vendors) choose 300 dpi because at that resolution, electronic printing produced results you would be proud to send to your customers. IBM settled at 240 dpi. One reason was that this reduction in resolution also reduced the size of resources transmitted to the printer by one third. But just as importantly, IBM recognized that there was a great deal of printing that simply didn't need 300 dpi print quality. Most in-house publications such as reports, employee manuals, and documentation fell into this category. Think of 240 dpi as the "just good enough" resolution.

Thus, the existence of two standards for printer resolution enabled companies to have a choice and to balance appearance versus cost and efficiency. The same is evolving for users of color. The existence of multiple methods of color will also allow people to balance appearance versus speed and cost.

Variable Data in Color

I recently returned from the 8th annual conference and exhibit hosted by the Xplor Brazil Chapter. Senior managers from major vendors gave presentations, almost without exception, on "variable content."

The ability to merge the facilities of electronic printing (fixed and variable data) with digital printing (full color) has enabled the new electronic/digital printer to personalize any type of printing. Digital printing enables cost-effective short runs, while electronic printing enables the personalization, that, when combined, cause the spectacular response rates that Frank Romano mentions above.

Color alone doesn't do it, and variable data alone doesn't do it, but the combination of the two increases response rates ten-fold.

Increasing Regulation of Non-paper Media

Perhaps you have seen the recent press release from Xplor International on the U.S. National "Do-Not-Call" Registry. This enables residents to sign up for a list that prevents most telemarketing calls.

I believe that the benefit goes far beyond some peace and quiet from the telephone at dinnertime.
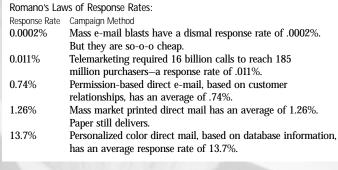
If you think about it, it is increasingly difficult to contact prospective customers. Unsolicited faxes have been prohibited in the U.S. for some time. E-mail spam is getting intense scrutiny. Now telemarketing will be restricted, with serious penalties for violators.

What's left? You guessed it: direct mail! Paper-based mail is virtually the only common method of reaching prospective customers that isn't under increased regulation. So it's reasonable to expect that some of the marketing dollars earmarked for telemarketing or e-mail or fax is going to come back to print.

The Net Result

What is the net result of the appearance of a variety of available color methods, variable data in color, and increasing regulation of non-paper media? It gives us a broader range of communications channels to keep in contact, but it also gives electronic printing real bang for the buck. I'll say again what I've said before: the Internet and other media will not replace electronic printing; instead, electronic printing (and all the other media) will evolve in order to become more effective competitors. Variable data and a variety of color options are just part of that evolution.

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