print in the mix

A clearinghouse of research on print media effectiveness

VOLUME 4, ISSUE 1

Did You Know That...

Despite preconceptions of the new digital age youth, in a recent survey the majority of young adults (ages 16-26) said **they prefer and trust paper** for business communications and, if given a choice, **71% would choose to read a print magazine and 52% a print newspaper**, over a digital version. *(TRU, 2011)*

Over 10,000 U.S. online shoppers were asked how they preferred to hear about upcoming sales and promotions from favorite web retailers. Not surprisingly, being online shoppers, e-mail promotions came out on top. **Next in line? Print catalogs and direct mail promotional pieces.** *(ForeSee, 2011)*

Adult owners of eReaders, such as the Kindle and the Nook, and tablets, such as the iPad, are also **heavy consumers of the printed versions of magazines and newspapers.** *(Gfk MRI, 2011)*

Moms say that **social media sites, such as Facebook and Twitter, are their least preferred method for receiving information about back-to-school products and promotions.** Most preferred methods: E-mails directly from brands or stores, followed by Sunday newspaper inserts, word of mouth, brand and store websites, magazines, then radio and TV. *(School Family Media, 2011)*

More than half (53%) of magazine readers took action—made a purchase, visited a store, made a recommendation, or had a more favorable opinion about an advertiser—**because of advertising viewed in a magazine.** *(MPA, 2011)*

The typical non-profit organization receives **more than three-quarters of its total gifts through direct mail** and only 10% of its gifts online. Direct mail acquisition is also responsible for three-quarters of all new donors. *(Blackbaud, 2011)*

Six out of 10 American consumers feel that it is acceptable for companies to make “green” claims in their marketing, but only **IF the company backs up the claim with additional details.** A full three-quarters (75%) of consumers say it is okay if a company is not environmentally perfect—**as long as it is honest and transparent about its efforts.** *(Cone Green, 2011)*

Make sure to check out other findings on *Print in the Mix*!

Groupon and Other Daily Deal Sites Fall Short

A two-year analysis of the daily deal industry finds that not enough businesses are coming back to daily deals to make the industry sustainable in the long run. Businesses spending their marketing dollars on daily deal sites are "not building their brand by offering discounted prices for their products and services," and, "appear to be limited in their abilities to attract free-spending consumers, and to convert deal-users into repeat buyers."

The Rice University study examined the performance of daily deals offered through five major sites, including Groupon and Living Social. The survey-based study examined the results from 324 businesses in 23 U.S. markets that conducted a daily deal promotion between August 2009 and March 2011.

Select Findings:

- Just over half (55.5%) of businesses surveyed reported making money from their daily deal promotion; 26.6% lost money and 17.9% broke even.
- Close to 80% of daily deal users were new customers, spending an average of $63.40 each. Significantly few (35.9%) spent beyond the deal's value and only 19.9% returned at another time to purchase at full price. One out of five (21.7%) consumers who bought a deal never redeemed the vouchers they purchased.
- Less than half (48.1%) of the businesses studied indicated enthusiasm about running another daily deal in the future; 32.1% said they were uncertain about future participation and 19.8% said they would not run another daily deal.
- Among the industries studied, health and services and special events were the most successful, with over 70% making money on the promotion. However, two of the largest industries—restaurants/bars and salons/spas—didn't perform as well (43.6% and 53.7% earned a profit, respectively).

"The businesses that we see spending their marketing dollars on daily deal sites have dramatically cut their advertising budgets [in areas such as print, radio, and TV]," the study's author Utpal Dholakia states. "This is a problem for businesses, because they're not building their brand when they offer discounted prices for their products and services. Only about 20 percent of customers using daily deals return to businesses to buy at full price; customers acquired through other [marketing] programs typically have much higher rates of full-price repurchases."

About: Online survey of businesses that had completed a daily deal promotion between August 2009 and March 2011. The survey consisted of questions regarding experiences with the specific daily deal promotions focusing on key consumer behavior metrics, marketing budget and allocations, company size, and annual revenue ($2 million average). The response rate was 324 completed responses (27% response rate). Distribution of daily deals studied : Groupon=46.3%, LivingSocial=35.5%, Travelzoo=8.6%, BuyWithMe=5.9% and OpenTable=3.7%.

Source: Utpal M., Dholakia, ***How Businesses Fare with Daily Deals: A Multi-Site Analysis of Groupon, Livingsocial, Opentable, Travelzoo, and BuyWithMe Promotions,*** June 13, 2011.

Integrating Direct Mail into Campaigns Can Boost ROI 20%

Combining direct mail with other marketing activities increases campaign payback by up to 20%, research out of the UK shows.

The time-series econometrics study, *Meta Analysis of Direct Mail,* conducted by marketing analysis firm Brand Science on behalf of Royal Mail, analyzed the performance of 260 marketing campaigns across all industry sectors.

Measuring return on investment of campaigns, with and without direct mail, showed that adding direct mail to a marketing campaign increased return on investment 20%—from an average of £2.81 to £3.40 for every pound spent ($4.17 to $5.03 USD equivalent for every dollar spent*).

The study also revealed that online and outdoor marketing channels achieved the highest uplifts in success when integrated with direct mail. Online components of campaigns paid back 62% more when direct mail was included in the marketing campaign, while outdoor was 44% more successful.

"The Brand Science study shows the growing importance of integrated campaigns and the effective role direct mail plays alongside other marketing activities, "Antony Miller, Head of Media Development at Royal Mail is quoted as saying. "Finding the right balance of channels to reach increasingly fragmented audiences will be the key to successful marketing strategies in 2011. Direct mail is an essential mechanism in the marketing mix for converting desire and intention into action."

**Note: Conversion rate at time of publication: 1 GBD= 1.48 USD, June 15, 2010.*

Sources: Royal Mail Group, "***The Little Book of Bigger Returns,***" 2011, and "***Adding Direct Mail to the Marketing Mix Increases Payback By Up to 20 Per Cent,***" October 2010.

The Influence of Print, Digital, and Social Media on Today's Purchase Decision

Google commissioned a national study of 5,000 U.S. shoppers to explore how the changing world of media is influencing consumers' move from undecided to decided as they traverse the path of purchase of a product or service.

Examining diverse shopping categories, from groceries to cars to financial products, the research analyzed the role of more than 50 different media sources—including traditional advertising, internet, mobile, social media, and more.

The research divided *potential forms of influence* into three areas:

1. "Stimulus" -- marketing efforts that spark the consumer's awareness and familiarity with a product or service;

2. The "Zero Moment of Truth" -- research and fact-finding activities about a product or service directly undertaken by consumers;

3. The "Final Moment of Truth" -- the moment at the shelf, in the retail store.

Survey participants were asked, *"When you were considering purchasing [PRODUCT], what sources of information did you seek out to help with your decision?"*

The top marketing sources by the three forms of influence mentioned above:

1. Top "Stimulus" Sources Used When Making Purchase Decisions

Media Source	% of Shoppers
TV commercial	37%
Direct mail catalog from brand or manufacturer	31%
Newspaper ad/newspaper insert	29%
Newspaper article/review/information	28%
Magazine article/review/information	27%
Magazine advertisement	24%
E-mail received from a brand/manufacturer	23%
Online ads noticed while browsing	22%
Direct mail or catalog from store/retailer	22%
TV show featured a product	21%
Billboard ad	16%

The top "Stimulus" sources (marketing efforts sparking awareness and familiarity) were traditional media. What is interesting is that 82% of 18-34 year olds cite using print, tv, radio, etc. on the path to purchase—roughly 5% higher than those ages 35-49 (77%), and 10% higher than those ages 50-plus (72%).

N=5,003 Source: Google/Shopper Sciences, ***Zero Moment of Truth Macro Study***, April 2011. Top sources defined as those above a 17% source usage average.

> The Influence of Print, Digital, and Social Media *continued*

2. Top "Zero Moment of Truth" Sources Used When Making Purchase Decisions

Media Source	% of Shoppers
Online search engine	50%
Talked with friends/family	49%
Comparison shopped products online	38%
Information from a brand/ manufacturer website	36%
Online product reviews or endorsements	31%
Information from a retailer/store website	22%
Online comments about an article/opinion piece	22%
Became a follower/"liked" a brand	18%

For the tasks of research and fact-finding ("Zero Moment of Truth"), shoppers say they turn to online reviews and information, as well as personal recommendations. Nine out of 10 (91%) 18-34 year olds say they engage in pre-purchase research, compared to 85% of those ages 35-49, and 79% of 50-plus year olds.

3. Top "Final Moment of Truth" Sources Used When Making Purchase Decisions

Media Source	% of Shoppers
Product packaging	50%
Brochure/pamphlet read in store	49%
Talked with a salesperson or associate	38%
Product signage/display	36%
Phone call with a customer service rep	31%
Sampled/experienced the product in a store	22%

Eight out of 10 younger consumers say they rely on those "Final Moment," at-the shelf, in-the-store sources to help them finalize their decision to purchase, as do three-quarters of consumers ages 35-49 and 50-plus, respectively.

The April 2011 survey finds today's average shopper uses 10.4 sources of information to make a decision, up from 5.3 sources in 2010. Google's study, as told in "*ZMOT: Winning The Zero Moment of Truth,*" reveals the ways that today's shoppers are digging up more information, from more sources, than ever before—and how print ads and other forms of traditional media, play a key role in the purchase funnel.

"The buying decision process has changed. What was once a message is now a conversation with shoppers today finding information via a wide array of media (traditional, digital and social), and sharing in their own way, on their own time—and no "Moment of Truth" is too small and they are meeting and converging. If consumers will do research online for houses and health care, they'll also do it for Band-Aids and ballpoint pens."

Offline Ads Are a Key Player In the Smartphone Purchase Funnel

Google and Ipsos OTX MediaCT recently conducted a survey to gain a better understanding of U.S. smartphone consumer behavior.

Interviewing over 5,000 online adults (18-64 years of age) who identified themselves as using their smartphone to access the internet, *The Mobile Movement Study* examined mobile habits and online activities, such as searching, shopping, and actions taken—including making purchases.

Select Findings:

- Nine out of 10 consumers say they use their smartphones throughout a typical day.
- Search engines are the most visited websites (77%), followed by social networking sites (65%), and retail sites (46%).
- Seven out of 10 (71%) consumers perform smartphone searches for more info on products and services—thanks to traditional, online, and mobile ad exposure.
- When it comes to ads, shoppers surveyed say that traditional media advertising is the top driver of mobile searches. Nearly seven out of 10 smartphone users (68%) cite print, TV, and radio ads as the motivation to perform a mobile search. Coming in a distant second and third are mobile ads (27%) and online ads (18%).
- Smartphones are a key shopping tool used throughout the research and decision-making process:
  - Eight out of 10 (79%) smartphone consumers say they use their phones to compare prices, find additional product info, locate a retailer, and more.
  - Three-quarters (74%) of surveyed shoppers made a purchase as a result of using their smartphone: in-store (76%), online (59%), or via phone (35%).

Sources: Google Mobile Ads Blog, ***Smartphone User Study Shows Mobile Movement Under Way,*** April 26, 2011 and eMarketer, ***How Searches on Smartphones Fit in the Purchase Funnel***, May 11, 2011.

Study's Indirect Finding: Direct Mail Welcome

In an effort to build long-term, profitable customer relationships, companies often engage in multichannel ad campaigns, complete with personalized messages sent to existing customers through various channels as part of their marketing strategy. However, what if such a strategy drives customers away from future purchases, rather than closer to the company? Is there is a level at which additional communication leads to diminishing, or even negative return?

A recent academic study examined the ideal volume, mix, and alignment of telephone, e-mail, and direct mail communications between a large auto dealership with a high-volume service department and its customers.

The researchers found that there is an ideal level of communication volume that varies across channels and, after that level is exceeded, there is an adverse effect and customers are turned off. This negative response can be exacerbated by the use of multiple channels that are not in line with customer preferences. In addition to these key findings, the study had an indirect finding and a noted eye-opener for its authors.

The researchers were surprised to find that direct mail was such an effective communication method in the overall marketing mix for this auto dealership.

The dealership's customers were accepting of more than twice as much direct mail, compared to phone calls and e-mails, before their spending levels started to decrease.

The ideal levels of communication to spark customer interest in auto services, new products and locations, promotions and sales, were three telephone calls, three to four e-mails and nine to ten direct mailings. The researchers hypothesize that customers view the mail received in their homes as less intrusive than telephone calls or e-mail, for these messages can be viewed at the customers' own convenience.

In addition to the study highlighting that multichannel communications must be carefully managed on multiple dimensions to avoid generating negative reactions and potentially driving customers away from, rather than closer to a company—a complimentary finding shows, as have other studies, such as the *USPS Household Diary Study*, that contrary to the image that direct mail is "junk mail" and is tossed without consideration, households pay attention to the advertising they receive.

Source: ***Enough is Enough! The Fine Line in Executing Multichannel Relational Communication***, Andrea Godfrey, Kathleen Seiders, & Glenn B. Voss, Journal of Marketing, Volume 75 (July 2011), 94 –109.

Nielsen: Shoppers Prefer Print Ads for Sales and Promotions

New research from Nielsen, a leader in measurement and information, examines the benefits of print and digital inserts, and other forms of retail advertising.

Shoppers Prefer Print Ads

Nielsen says that close to 70% percent of shoppers look at print advertising either mailed to their homes (67%) or appearing in newspapers (69%) at least once per week, in their quest for sales and promotions.

Far fewer consumers are looking to sales and product information from digital methods, like social media sites (45%) or from smart or mobile phones (39%). The only digital tactic that matches printed paper's weekly reach is e-mail (67%).

How Shoppers Want to Receive Advertisements in the Future

Nearly 90% of consumers say they want to receive sales and promotions via direct mail and find offers in the newspaper in the future. In addition, demand is going up for high tech information sources, especially among younger generations of shoppers who still want paper, but "are more accepting of all information sources."

Media Sources Desired in the Future	% of Shoppers
Direct mail	87%
Newspapers	86%
In-store print advertising	86%
Store websites	75%
E-mail from retailers	72%
In-store kiosks	43%
Televisions in stores	42%
Social media sites	37%
Smartphone or mobile phone	31%

% = "A lot or Somewhat" Source: Nielsen, Consumer 360 presentation

Print and Digital Challenges Facing the Retailer

Nielsen is quoted as stating: "The research showed that while printed material gets shoppers in the store, digital tactics reinforce and reward loyal shoppers. Printed campaigns help shoppers find deals about their favorite products and locate widespread sales; High-tech touch points such as tablets, social sites and in-store kiosks are used more so for research purposes."

For future success, "Print will remain a strong part of the circular mix for five to 10 years out, yet it needs to be a leaner and more precise vehicle. Digital is necessary to bring about the type of consumer relevancy that future shoppers [younger and more diverse population segments] will expect."

Source: NielsenWire, ***Browse All About It! The Evolution of the Circular,*** July 5, 2011.

About Print in the Mix

Established with a generous grant from The Print Council, *Print in the Mix: A Clearinghouse of Research on Print Media Effectiveness* is housed at Rochester Institute of Technology and is published by the Printing Industry Center at RIT.

Print in the Mix is a unique resource whose mission is to collect and summarize reputable research demonstrating the role of print as a viable information medium in the marketing mix.

Joining us in this unique endeavor are faculty and staff from universities coast-to-coast who study printing industry trends. Together, we review research from a variety of academic and industry resources, distill the quantitative facts and detail how the research was done in order to present top-line synopses for use by media specifiers, print providers, and others as they make the case for “print in the mix.”

Visit Print in the Mix at **printinthemix.com**

Visit the Printing Industry Center at RIT at **print.rit.edu**

About The Print Council

The Print Council is a business development alliance formed by leaders in the graphic arts industry whose goal is to influence and promote the greater use of print media. Through education, awareness, market development, advocacy, and research, The Print Council serves the industry to develop, maintain, and increase the market for printed goods. In addition, the Council works closely with industry associations, ongoing initiatives, and relevant user groups that share common goals.

For more information, please contact Executive Director Ben Cooper at bycooper@wms-jen.com or info@theprintcouncil.org.

Visit The Print Council at **theprintcouncil.org**

print in the mix
A clearinghouse of research on print media effectiveness

Rochester Institute of Technology
55 Lomb Memorial Drive
Rochester, NY 14623

CHANGE SERVICE REQUESTED

Non-Profit
U.S. Postage
PAID
Rochester, NY
Permit No. 626

About the **Print** in the **Mix Newsletter**

The Print in the Mix Clearinghouse publishes its printed newsletter two to three times a year and issues a monthly e-newsletter. Subscription is free to both. To register, please visit us at printinthemix.com

Print Council Members: Additional copies of this newsletter are available upon request.

Dr. Patricia Sorce: Editor-in-Chief, Print in the Mix and Director, Printing Industry Center at RIT || 585-475-2313 || psorce@rit.edu

Liz Dopp: Managing Editor, Print in the Mix
585-475-7436 || liz.dopp@rit.edu

Printed on *Productolith® Pts.*, 8 pt. semi-gloss C2S from NewPage. Productolith Pts. sheets carry three chain-of-custody certifications (tri-certified to FSC, SFI and PEFC) and contain 10% post-consumer recycled fiber. Manufactured in North America. NewPageCorp.com.