THE POWER OF COLOR IN THE TRANSACTIONAL PRINTING SPACE

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By Richard Romano

The production inkjet era has generated a new acronym and buzzword that has been specifically applied to transactional printing: WICO, which stands for "white in, color out." It refers to the elimination of so-called "offset shells." If you're printing credit card statements, you are combining static text and graphics (the financial institution's logo and other generic content) with personalized data (an account holder's actual purchases and other information). The way this is usually done is to print the static content in quantity on an offset press and then warehouse these "shells," which are then re-run through a digital press to add the personalized information.

However, this approach takes time and requires warehousing and the associated costs. Additionally, it results in waste if the credit card company changes its logo, the terms of service, or any other information printed on the shells, which then have to be destroyed and reprinted. With a "white paper in" approach via production inkjet, all the static and personalized content is printed at once in one pass. So no shells, no warehousing, and no need to ensure that the shells have the most up-to-date content.

The operative word in the "WICO" acronym, however, is "color."

Using color in print applications like direct mail has become something of a no-brainer. Very few marketers would deliberately avoid using color in a high-end direct mail piece, unless they were deliberately going for a kind of "retro" look and feel. Publication printing, like magazines and books, is also now availing itself more and more of color, especially as color digital printing equipment has made color more economically viable.

One print application that is poised for a color revolution—thanks to WICO—is the transactional printing space.

COLOR-BY NUMBERS

There was a classic study conducted in 1999 by Professor Frank Romano at RIT and one of his students, a designer named David Broudie. The study measured the effects of three variables—color, simple personalization (such as adding the recipient's name), and more detailed, personalized database information—on the response rate of a direct mail campaign. It was a controlled study of 36 mailings in nine categories, with 4,000 pieces in each mailing. Content-wise, it was a mix of direct mail offers to both business and consumer recipients, and all mailings were professionally designed and printed.

There were a lot of little details and nuances to the study, so we'll just hit some of the relevant highlights.

There was an initial simple, black-and-white, "control" mailing with no personalization. The response rate for this control mailing was a meager 0.46 percent, which was even lower than what was at the time the industry average of one percent response rate for direct mail.

A second mailing added simple personalization, such as the name of the recipient. The response rate was 44 percent greater than the control mailing. A third mailing added full color. Now, this was just full color, and didn't include personalization. The response to the third mailing was 45 percent higher than the control mailing. So, personalization and color had roughly the same effect on response rates.

Then, the question was, what if you combined personalization and color, in a "two great tastes that taste great together" kind of way?

A fourth mailing added simple personalization—again, the recipient's name—and full color. The response was 135 percent that of the control mailing,

Even better, a fifth mailing included the recipient's name, full color, and more detailed database information. That "kitchen sink" mailing resulted in a response that was 500 percent that of the static black-and-white mailing.

The study was never repeated, at least not by the original investigators, and later studies have tended to focus more on the impact of variable data on response rates than color per se. However, color can demonstrably impact response rates to printed materials, but to maximize that impact, color is best used in combination with other elements, like personalization.

RSVP—OR ELSE

What is the relevance of response rates in the context of transactional printing? After all, if someone is receiving a credit card statement or other kind of invoice, the recipient really has no choice but to respond, right? Otherwise s/he incurs late fees, finance charges, and other penalties. And in that sense, it might actually benefit the sender to not boost response rates.

There is more to transactional printing than just presenting someone with a bill, even though credit card statements and invoices are the emblematic examples of transactional printing. Transactional documents also include loyalty program statements and other documents that provide updates and information without requiring remittance. At the same time, there is a very strong promotional component to transactional documents—spawning the portmanteau term "transpromotional documents."

In these cases, adding color in creative and strategic ways can get recipients to pay closer attention to a transactional document than just noting the balance and scanning for spurious charges. I am looking at my credit card statement from last month and I can honestly say that I didn't notice when I paid my bill that the last page is an ad for a wine club. And probably the reason I missed it was because it was in black-and-white and simply failed to catch my eye.

In contrast, my most recent cell phone bill had a special offer to sign up for a satellite TV provider, which I noticed immediately because it used a spot color to circle and highlight the offer. I have no interest in changing my current TV provider, but I at least noticed the offer. In contrast, I would be more interested in a wine club, but only noticed that offer because I was looking for an example of bad transpromotional printing, which I would not expect the average credit card statement recipient to be doing. (But I could be wrong.)

In addition to special offers and ads, color can also call attention to specific pieces of information, such as deadlines, by putting "Act Now! Offer Expires June 15!" in a contrasting color, or simulating a yellow highlighter. If a transactional document has discrete areas or panels, such as sidebars, voucher panels, or coupons, a judicious use of colored backgrounds can add visual interest, as well as highlight specific messages or calls to action. A colored border or frame around specific content sections, like a sidebar or box with contact information, can also make the page more visually appealing, while at the same time drawing attention to specific content areas and messages.

JOB IS QUALITY ONE

One of the challenges of color usage—as well as personalization—is that of novelty. Simply put, we get used to seeing certain techniques. As effective as color is, we are simply used to seeing things in color and as a result there is an expectation that something will be in color. But even though using color at all is better than not using it, new forms of color usage are starting to appear to push the envelope—sometimes quite literally. Metallic inks and other specialty colors are becoming a great way for a mail piece to stand out from others in the mailbox, and digital presses now feature extended gamut ink sets that can increase the number of shades that can be printed, as well as make colors more vibrant than ever.

And just like color in combination with variable data is highly effective, so too is color when it is combined with things like UV coatings, foil stamping, digital foil stamping, added textures, and other "digital embellishments" such as those being popularized by the likes of MGI and Scodix.

Of course, adding those kinds of bells and whistles is a function of the document that's being produced. Digital foil stamping is great for a direct mail piece for a high-end retailer or other marketer, but would likely be drastic overkill on transactional/transpromotional documents. Or would it? If you are American Express, adding some kind of gold or platinum foil over an image of the card itself could be a way of making statements a bit more elegant, and wouldn't be prohibitive if the cost could be amortized over an entire transactional run.

Still, the use of color and other effects can certainly be effective, but should always be used in the service of the specific document and job that is being produced.

THE FINAL TRANSACTION

Thanks to advances in inkjet and other kinds of digital printing, there are fewer and fewer reasons, economic or otherwise, to not add color to transactional documents. And by adding color, you can take these documents beyond the simply transactional, improving their effectiveness as marketing and promotional materials.

ABOUT THE AUTHOR

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Richard Romano is Senior Analyst for WhatTheyThink.com, the news and information portal for the graphic arts industry, for which he curates the Wide Format topic page, and contributes other news and feature stories, as well as market research and technology reports. He also cohosts, with Dr. Joe Webb, WhatTheyThink's monthly economics webinar. He also contributes to other industry publications, such as Wide Format & Signage, Printing News, Inkjet's Age, the SGIA Journal, PrintPlanet.com, and more.

He is the author or co-author of more than a half dozen books, including This Point Forward: The New Start the Marketplace Demands; The Home Office That Works! Make Working at Home a Success—A Guide for Entrepreneurs and Telecommuters; "Does a Plumber Need a Web Site?"; and Disrupting the Future. He is currently at work, with Dr. Joe Webb, on a new book called The Third Wave, which will be published at PRINT 17. Many moons ago, Romano was the co-editor of The GATF Encyclopedia of Graphic Communications.

This analysis was commissioned by Canon Solutions America and NAPCO Media to help printers better understand how today's technology can optimize their production and how they can benefit by adopting these solutions.

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