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# How Audience Targeting and Workflow Improvements Generate Big Wins for Thompson Direct Marketing



## FOR MARKETERS, SELECTING THE RIGHT VENDOR PARTNER MAKES THE DIFFERENCE WHEN IT COMES TO PRODUCTION WORKFLOW AND COST SAVINGS

**T**he cumbersome, multi-step process used for most Medicare mailings is not sustainable in today's ultra-competitive healthcare market. Thompson Direct Marketing, a company specializing in the production of Medicare and Medicaid mailings for non-governmental organizations, had used a traditional hybrid print workflow when producing its direct mail pieces. Then in 2017, the company's printer partner came forward with a new print workflow option.

Because of its partner's suggested change, Thompson was able to shift to the new workflow, reap the time and cost saving benefits, while continuing to target its audience appropriately with its direct mail without disruption.

## NAVIGATING THE MEDICARE DIRECT MAIL WATERS

When it comes to healthcare insurance supplements, the options are endless. For someone planning for or just entering retirement, the prospect of choosing the right plan can be overwhelming, especially when presented with so many choices and with so much on the line. It's critical to get it right.

According to the National Committee to Preserve Social Security and Medicare (NCPSSM), there are 56.8 million people currently enrolled in Medicare. The overwhelming majority — 47.8 million individuals — are enrolled due to their age, while 9 million are enrolled due to some form of disability.<sup>1</sup> That's a huge market, and numerous companies are vying for those dollars.

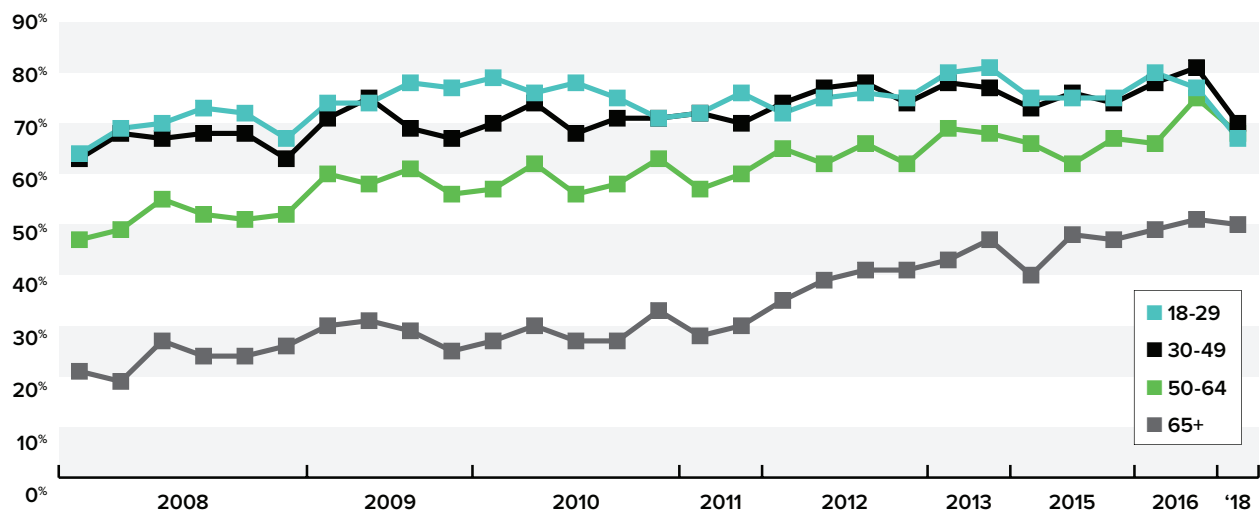
For retirees — a demographic that has lower Internet and social media usage than the overall population — direct mail remains one of the most effective ways to reach them.

According to Pew Research, more than one-third (34 percent) of seniors don't use the Internet. In part, this is due to low broadband penetration, with only 50 percent of people over 65 years old having broadband at home. Although this percentage rises to 87 percent of those with household incomes above \$75,000, it drops to 27 percent of those with household incomes below \$27,000. Some seniors do have Internet access via their smartphones. However, one-third have no Internet access at all.<sup>2</sup> That's a large target market that cannot be reached using digital communications.

Even seniors who do have Internet access are not likely to make complex decisions about Medicare based on online research alone. In part, it's because direct mail is easier to read and understand. Studies like those from Canada Post, Temple University and the Bangor University/Millward Brown have shown that information communicated in print is embedded more deeply in the brain and the details more easily recalled.<sup>3</sup>

But it's also a matter of trust. Members of the Silent Generation (those born between 1925-1945) are the most likely to trust marketing information that comes in the mail. According to one survey, 83% of the Silent Generation trust direct mail marketing, higher than any other generation.<sup>4</sup>

FIGURE 1:  
**U.S. Home Broadband Users, by Age**



WHILE HOME BROADBAND USE HAS INCREASED NEARLY 30 PERCENT FOR CONSUMERS AGED 65-PLUS IN THE PAST 10 YEARS, IT'S STILL APPROXIMATELY 18 PERCENT BELOW THE OTHER AGE GROUPS.<sup>5</sup>



**IMPORTANT - VERIFY ADDRESS BY MAILING POSTAGE-FREE CARD TODAY**

PLEASE see that I receive information on the latest Medicare Changes and the item checked below.

Name \_\_\_\_\_ Birth date \_\_\_\_\_ Phone \_\_\_\_\_

Spouse \_\_\_\_\_ Birth date \_\_\_\_\_

☐ Medicare supplement plans now available in my state.



PG18MSG

We provide reliable, appropriate and suitable information to seniors on educational and insurance related matters. If time allows, the information you requested will be delivered by a representative. These representatives and/or any company they represent are not connected with or endorsed by the US Government or any state agency.

POSTCARD MESSAGES FEATURED PERSONALIZED SALUTATIONS, REFERENCES TO THE RECIPIENT'S SPECIFIC NEIGHBORHOOD AND FINANCIAL INCENTIVES. (ADDRESS INFORMATION HAS BEEN REMOVED TO PROTECT PRIVACY.)

**CHANGES IN YOUR MEDICARE BENEFITS**

As of January 1st, many Medicare Supplement insurers have increased their rates up to 40% in the last two years on Medicare supplement coverage.

Based on this, there is now available a plan in your state to supplement Medicare at lower rates for residents over 65 years of age.

**You must detach and mail the attached postage-paid card to receive this vital information. This latest information is being held until you request it. Please verify that your address is correct on the attached card and please . . .**

MAIL TODAY TO RECEIVE THIS VITAL INFORMATION...  
REQUESTS WILL BE PROCESSED IN THE ORDER RECEIVED... REQUESTS  
RETURNED MORE THAN 15 DAYS FROM RECEIPT OF THIS NOTICE  
MAY NOT BE PROCESSED.

**Request cards received after the deadline may not receive this information in a timely manner.**

## TAILORING HEALTHCARE DIRECT MAIL FOR THE TARGET AUDIENCE

To ensure any direct mail campaign is successful, a marketer must first accurately define the target audience, and then understand their needs and wants in order to craft effective marketing messages.

Durant, Okla.-based Thompson Direct Marketing is owned and operated by Dave Thompson, who has served the Medicare market for more than 40 years. Due to his tenure and industry expertise, he knows that direct mail works best for his target audience of those aged 65 and up, especially in regard to healthcare.

“When it comes to things like Medicare and Medicaid plans, direct mail remains the most effective way to reach new customers,” says Thompson. “Television and radio can communicate general information, but when it comes to plan specifics and choosing the right plan, they want print.”

Because of the plethora of Medicare options available, Thompson educates retirees on their options before presenting them with details on specific plans. Mailers outline the options offered by the insurer, and recipients check off and mail back a reply card on the plans they are interested in.

“One mailer might talk about Medicare or long-term care,” explains Thompson. “Another might talk about final expenses or annuities. Each one gives recipients the opportunity to consider their options and request information on plans they think will work for them.”

Thompson’s “go to” format is a versioned 7 ½ x 14” trifold mailer personalized at the time of mailing. Clients can choose from different templates identified by a version code used for tracking, and versions vary by state. In some cases, he will create custom mailers for clients.

Thompson works closely with his clients to select the right list for their marketing goals. “People retire at different ages now, so list selection is not as simple as it used to be,” Thompson explains. “Some of my clients might target those just turning 65 years old in March or April. Others might target those turning 65 to 79 in September or October. Others might narrow it down to women or men or those in a specific income bracket. We’ve come a long way from selling simple ‘age lists,’ like we used to do in the 1970s.”

Regardless of the list chosen, Thompson uses a geographic restriction for 90 days to ensure that his clients are not sending to the same target audiences at the same time. As the responses come back, he scans the results and emails the client a PDF the same day.

In total, Thompson mails more than 1 million pieces every year.

## MANAGING COST SAVINGS WHILE JUGGLING DIRECT MAIL INVENTORY ISSUES

For years, Thompson used a traditional hybrid workflow. He had shells offset-printed at one facility, then worked with Louisville, Ky.-based United Mail to overprint the shells with variable information and mail them. His account manager, Monique Stephens, coordinated the drop shipping and production, but the overall process was cumbersome and inefficient.

“When Dave placed an order, we’d pull the shells from the warehouse and overprint them with variable information, then move them to a different machine to be folded, perfed and mailed,” says Stephens. “It got the job done, but it wasn’t the most efficient way to do it.”

Shells would become out-of-date every October as the dated material expired. Material also would go out-of-date as state laws changed. “It was a constant guessing game to determine how many shells he would need to have on hand before they became obsolete,” says Stephens.

Heightening this challenge was that in order to receive the maximum price break, Thompson had to print a minimum of 80,000 shells each time. This locked him into a tiered pricing system that often forced him to order and warehouse more versioned material than he needed.

“Sure, we got maximum price breaks, but we ended up throwing out thousands of pieces every year,” Thompson recalls. “It wasn’t unusual for us to throw out \$5,000 worth of inventory on a \$20,000 order.”

When United Mail offered Thompson a more efficient and cost-effective way to manage his campaigns, he was all ears.

“I used to be tied to my desk, making sure that everything was working right. Now, [the workflow] runs so smoothly that I am freed up to spend time doing things I love. I don’t have to constantly be forecasting and managing inventory.”



**Dave Thompson**

Owner

Thompson Direct Marketing

## BOOSTING EFFICIENCY BY CHANGING WORKFLOW

In December 2017, Thompson was approached by Doug Prater, his sales executive at United Mail, about making a change to the way his mailings were handled. Prater suggested switching to a new print workflow available at United Mail due to a new press installation, which would allow the company to print, fold and mail Thompson's pieces, all in one process.

This would be a major change in the way Thompson's mailings were handled. Instead of overprinting pre-printed offset shells, everything would be printed on the fly. There would be no more shells. No more warehousing. All of the contents of the document, both static and personalized elements, would be printed at once. White paper in, full-color documents out, also known as a "white paper workflow."

For Thompson, it would save a full five to seven days, compared to storing, transporting and overprinting shells — a time savings of up to 40 percent. It would also eliminate the need for constantly monitoring inventory and over-ordering to ensure that he wouldn't run out.

The change in workflow also would save money. "Not only would I not have to worry about making sure I had enough inventory (or printing too much inventory)," Thompson explains, "but I wouldn't be paying for inventory I might never use. It would keep more money in my pocket." The decision was an easy one.

One by one, Thompson used up his existing inventory from the old system. Then, as the inventory for each version was depleted, he switched over to the 100 percent white paper workflow.

"It didn't take long to burn through the old inventory," he says. "Within 30 days, I had used everything up. From that point on, all of our jobs have been run using the new process."

You don't hear this often, but the transition from one workflow to the other was seamless. "It just worked," says Thompson. Having a proactive printer partner like United Mail who was able to identify a solution to save Thompson time and money, while also cutting waste, is a testament to the benefits of choosing the appropriate vendor partner.

"We are managing all of the components of the job rather than just a portion of them. But because the white paper workflow is so efficient, we can do more in the same amount of time."



**Monique Stephens**  
Account Manager  
United Mail

## DIGITAL PRINT TECHNOLOGY THAT BOOSTS PRODUCTIVITY AND CUTS COSTS

United Mail, based in Louisville, Ky., is a direct marketing company that offers a full range of billing and document management services, results-driven marketing services, digital print services, including personalized URLs and full data-driven personalization, and web-to-print / digital storefronts.

In December 2017, United Mail installed a VarioPrint i300 production inkjet press. The press runs at 294 ipm, with sheet sizes up to 13.8" x 19.7", and prints duplex, folds and seals inline.

This gives United Mail extremely high productivity and extremely low running costs, as well as **increased** flexibility.

It also provides tremendous benefits over the previous hybrid workflow, which is then passed on to clients such as Thompson Direct Marketing. This includes better print quality, 100 percent readable barcodes and no paper waste. United Mail also can combine multiple versions and run them all together, decreasing overhead costs, as well as eliminating the need for excess starting and stopping of machines and switching between versioned material.

United Mail began switching Thompson's workflow over to the VarioPrint i300 in early 2018, and today, it runs all of Thompson's jobs on that inkjet press — duplex printing, folding and perfering inline. With the white paper workflow, United Mail estimates that it cuts production time by 40 percent over ordering shells, overprinting them and then finishing them offline.



CANON SOLUTIONS AMERICA

With a long history of market leadership in the digital production and high-speed inkjet print space, Canon Solutions America maintains leadership through investment in innovation and loyalty to our customers.

Canon has led the worldwide production inkjet market since 2011. Canon is also the vendor cited most frequently by printers considering a production inkjet purchase. Our inkjet presses pioneered the production inkjet space, and we continue to set the bar for innovation, quality, productivity, reliability, and energy efficiency.

We are committed to upholding the excellence of our brand by investing in new technologies. You'll see evidence of that in the ProStream, which merges the best of digital and offset printing. Its revolutionary engine design delivers 1200 dpi output with the cost efficiency and variable value-add of inkjet. With one of the most reliable and longest standing inkjet presses on the market—in the ColorStream—and the first sheetfed inkjet press on the market—the VarioPrint i-series—we are certain to have a solution for your business.

We're committed to helping our customers grow their businesses. Our end-to-end solutions are designed to help you drive profits by increasing productivity and reducing costs. From print engines to workflow software, to finishing equipment and even media and ink, we work with companies around the world to provide you with complete solutions designed to work together. But more than just assembling the right components, we support you every step of the way. Our Professional Services team can help you grow your pages while our renowned Service team will keep your presses up and running.

That's what sets Canon Solutions America apart from the rest.

## WORKFLOW CHANGE CREATES UNDENIABLE PRODUCTION SAVINGS

Today, Thompson's workflow looks very different than it did even a few years ago, now that all campaigns are run using the white paper workflow. There is no warehoused inventory. No waste. Paper is supplied locally, ensuring that there are no production delays while the paper is being ordered or shipped.

Each week, Thompson supplies United Mail with his projects, broken down by client and type of form. United Mail processes the orders, mails them and supplies him with a single report. "Once I place the order, all I have to do is wait for the jobs to land," he says.

Even though United Mail is handling the entire workflow in-house, it still provides Thompson with a four-day turnaround. "We are managing all of the components of the job, rather than just a portion of them," says Stephens. "But because the white paper workflow is so efficient, we can do more in the same amount of time."

For Thompson, the primary advantage of the switch has been simplicity and cost savings. "I don't have to buy half a million pieces and pay for them all at once," he says. "I pay for what I use, when I use it."

In the previous workflow, the volume ordered for the period July – December 2017 was 1.39 million pieces. Unused inventory was 214,000, or 15 percent of the total. Total lost revenue was \$10,000 for that period.

FIGURE 2:

### Shifting From Hybrid Print Workflow to White Paper Workflow

	Old System	New System
<b>Print</b>	\$48.60/M	\$60/M
<b>Processing</b>	\$28.75/M	\$20/M
<b>Volume Ordered</b>	1,390,996	661,000
<b>Volume Unused</b>	214,803	0
<b>Volume Trashed</b>	16,170	0
<b>Lost Revenue</b>	\$10,439.43	\$0

VOLUME DATA, AS REPORTED BY UNITED MAIL, WAS COMPILED USING THE MOST RECENT SIX MONTHS OF WHICH UNITED MAIL WAS OPERATING UNDER EACH SYSTEM. FOR THE NEW SYSTEM, THAT WAS FEBRUARY – JULY 2017. FOR THE OLD HYBRID SYSTEM, THAT WAS JULY-DECEMBER 2017. THE INCREASE IN VOLUME IN THE OLD SYSTEM IS ATTRIBUTED TO SEPTEMBER AND OCTOBER BEING THE HIGHEST-VOLUME MONTHS FOR THOMPSON, DUE TO OPEN ENROLLMENT FOR MEDICAL INSURANCE.

"Most of my pieces are printed with the date year, such as 2018 or 2019, and that changes over in October," Thompson recalls. "As the October deadline would approach, I would see dollar signs disappearing with every day that passed. Between that, and losses due to changing regulations, there are times when I would throw away 100,000 pieces, translating into thousands of dollars. I don't miss those days!"

Today, the volume of unused and trashed inventory is zero. The lost revenue is zero, too. Every piece that is printed gets mailed.



Thompson does not have quality control issues, either.

- Bad quality barcodes = zero
- Missing address blocks from BRC = zero
- Versioned material being mismatched or switched = zero

Furthermore, Thompson no longer has to be concerned about how much inventory is in stock. “There were times in the past that my mailing would be delayed a week while the form was being printed,” he says. “Now, everything is being printed on the fly. That’s one less thing on my mind!”

Order delays are also a thing of the past. Today, the new white paper workflow is not only simpler and easier to manage, but by not paying for inventory he never uses, Thompson saves 25 percent on his production costs. “That’s real dollars that I can reinvest in my business or take home as profit,” he says.

But perhaps more importantly to Thompson, he gets to spend more time doing what he loves doing best — spending time with his family. This includes his new grandson. “I used to be tied to my desk, making sure that everything was working right,” he says. “Now, it runs so smoothly that I am freed up to spend time doing things I love. I don’t have to constantly be forecasting and managing inventory. I have more flexibility and can spend more time with my family. How do you quantify the benefits of that?” 🌟

## FOOTNOTES

<sup>1</sup> National Committee to Preserve Social Security and Medicare. “Fast Facts” <http://www.ncpssm.org/our-issues/medicare/medicare-fast-facts>

<sup>2</sup> Pew Research. “Internet/Broadband Fact Sheet” <http://www.pewinternet.org/fact-sheet/internet-broadband>

<sup>3</sup> Forbes. “Paper Beats Digital In Many Ways, According To Neuroscience”  
<https://www.forbes.com/sites/rogerdooley/2015/09/16/paper-vs-digital/#513f44e433c3>

<sup>4</sup> Marketing Sherpa. “How Much Different Age Groups Trust Direct Mail” <https://www.marketingsherpa.com/article/chart/which-age-trusts-direct-mail>

<sup>5</sup> Pew Research. “Internet/Broadband Fact Sheet” <http://www.pewinternet.org/fact-sheet/internet-broadband>

## YES, I WANT TO DO THIS!

Do you have questions about how to implement a project like this? We’ll connect you with industry pros to get them answered.

**ASK A PRO**

Are you looking for practical insight on how this works? These tips will help you generate ideas and make sure your project goes smoothly.

**PRO TIPS**

Are you ready to find a service provider near you and get started? We’ve got you covered.

**SERVICE PROVIDERS**



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# WHO WE ARE

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BRAND United was founded by NAPCO Media, a leading information source for the markets it serves since 1958. With roots in various industries such as commercial print, publishing, marketing, consumer technology and promotional marketing, NAPCO Media specializes in the creation and cross-channel distribution of exceptional content.

Having built communities between our audiences and clients for decades, we have seen first-hand the difference it makes when a brand creates a cohesive, engaging and united customer experience across multiple channels. BRAND United's mission is to educate brand owners and marketers on the omnichannel strategies and innovative technologies that can be implemented at each stage of the customer journey to create a united brand experience.

We offer case studies, research and practical tips from the experts that are comprised of data-driven insights from brands who have successfully implemented the technologies and strategies that are moving the industry forward. At BRAND United, we understand where brands and marketers need to go and the application of revolutionary technologies that will take them there.

