

## **Making the Most of Interactive PDFs**

by Don Fluckinger

Through the years we've called electronic publications a number of things, from multimedia to new media to e-pubs and many titles involving the word "digital."

#### Is It Time to Invest in PURLs?

by Heidi Tolliver-Nigro

Personalized uniform resource locaters (PURLS) take recipients to individual landing pages where the user is greeted by name and can present information based on the user's stated preferences or from a marketer's database.

# Mobile Devices Present an Opportunity for Publishers

by Chuck Lenatti

Within the past few weeks, the battle for attention from mobile readers has heated up. Amazon introduced a larger Kindle, Apple upped the ante with a new iPhone, and Palm officially entered the fray with its Pre.

# New! Sign up for the Seybold Report Mobile Publishing Update

We have started a new, free weekly e-mail newsletter about mobile publishing and mobile advertising. Based on the same model as our Seybold Report Dispatch (informal, to the point, and only a screen scroll or two long), the Seybold Report Mobile Publishing Update is published every Wednesday. To subscribe, send an e-mail to molly@beard.com.

# The Seybold Report on Mobile Publishing: A Buyer's Guide

Coming soon: a comprehensive report of companies, resources, and services useful in crafting a successful and profitable mobile publishing strategy. The report will be ready in July. The single copy price is \$295 and a site license costs \$1,295. For more information or to reserve your copy, please send an e-mail to molly@beard.com.

#### ALSO IN THIS ISSUE:

# Digital Prepress and Books: the Tale of Macmillan Publishing

The tale of Macmillan Publishing, one of the United Kingdom's most important book publishers, is one of quite astonishing success.

We invite you to join the Seybold Group on LinkedIn! There you will find news, information, discussions, and more, all related to the topics covered in the newsletter.





**Corporate Office** 

Beard Group P.O. Box 4250

Frederick, MD 21705-4250 USA

**Phone:** (240) 629-3300 extension 1

Web: www.seyboldreport.com Publisher/Editor: Molly Joss E-mail: molly@beard.com Managing Editor: Chuck Lenatti E-mail: chuck@beard.com

Laurel Brunner Don Fluckinger Heidi Tolliver-Nigro Chuck Lenatti

**Interactive Production:** Bob Connolly E-mail: bob@pdfpictures.com

© 2009 Beard Group. All rights reserved.

Reproduction in whole or in part without written permission is strictly prohibited.

The Seybold Report ISSN: 1533-9211

Electronic subscriptions (PDF) are available for \$499. A print and PDF subscription is available for \$599 per year (24 issues mailed semi-monthly).

To subscribe or renew your subscription, send us an e-mail at seybold@beard.com

#### **POSTMASTER:**

Send address changes to:

Beard Group P.O. Box 4250 Frederick, MD 21750-4250

## We have gone interactive!

"The medium is the message."

-Marshall McLuhan

Upgrade to the latest version of the free Adobe Reader to fully experience the interactivity in this electronic PDF newsletter.

### Table of Contents

**Making the Most of** Interactive PDFs

Is It Time to Invest in PURLs?

Mobile Devices Present an **Opportunity for Publishers**  **Digital Prepress and Books:** the Tale of Macmillan Publishing

**Questionnaire** 

# **Opportunities!**

### Follow the Seybold Report on Twitter!

It's fun, it's easy, and it's free. There are not many things you can say that about these days. The Seybold Report is now tweeting on Twitter. We know some of you are already on Twitter because we follow you. Sign up to follow us and experience the latest phenomenon in social marketing for yourself. We promise not to bombard you with twits (or is that tweets?). To sign up, visit www.twitter.com.

## Tell a Friend! Win Something!

Have a friend or colleague sign up for a year's subscription (24 issues) to the Seybold Report and tell us your name and account number when they subscribe. We'll going to run the competition for a few months and then pick a name out of a virtual hat. The winner will receive a \$50 Starbucks or Visa gift card. Subscribing is easy. All your friend needs to do is send an e-mail to seybold@beard.com and tell us if they want an electronic-only (\$499) subscription or electronic and print (\$599). We will send your friend an invoice and get the subscription started. Remind them to mention your name in the e-mail if you want to be included in the drawing.





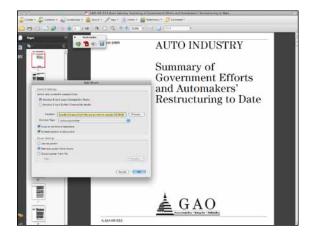
# Making the Most of Interactive PDFs

By Don Fluckinger

Through the years we've called electronic publications a number of things, from multimedia to new media to e-pubs and many titles involving the word "digital."

A variant of the electronic publication genre is the interactive PDF, of particular interest to publishers and printers because they can transform basic digital publications created in Adobe InDesign or Quark XPress with only a few clicks in InDesign or Acrobat.

Publishers can easily give any magazine, newsletter, or brochure the basic interactive PDF treatment: navigation, internal links, external Web links, video, and audio. More complex interactive PDFs that enable e-commerce, data collection via forms, 3-D data rendering, and presentations stitched together in Flash make sense when they are suited to the budget and end result. Publications that benefit from such treatment include conference brochures



Web. The bridge building process starts with interactive PDFs. Connolly explains Adobe bought Flash so it could control where marketing dollars go. "If you can take that advertising standard and put that in a PDF file, they can all run exactly the same way."

such as the one featured in the case study in this article, a catalog, or magazine for which publishers want to use sophisticated advertising metrics-tracking.

The potential benefits of using interactive PDFs include: no printing costs; pass-along circulation via e-mail; lead generation through forms; Web traffic generation through links; presenting more in-depth content through audio, video, and 3-D images; and e-commerce. Publishers

worried about unlimited pass-along circulation can also restrict access to or add expiration dates to PDFs.

Designers love interactive PDFs because their layout work is preserved in an electronic form that isn't sliced and diced en route to repurposing on Web pages, where strong design messages can be lost or, at best, muddled. Advertisers can use PDFs to preserve their print ad design and onscreen graphics quality, which can be hard to replicate on the Web. More, they can capitalize on the Flash capabilities Adobe has recently built into PDF and Acrobat to place trackable Web banners into digital publications.

"The world has gone Flash-banner crazy that's what's now fueling the ad agencies. They're putting more of their money into online ads instead of television and radio," says Bob Connolly, founder of pdfPictures, a Canadian production company that specializes in creating interactive PDFs. Connolly is convinced Flash ads are a key part of the solution for publishers (and printers) to bridge the gap between print and Web. The bridge building process starts with interactive PDFs. Connolly explains





Adobe bought Flash so it could control where marketing dollars go. "If you can take that advertising standard and put that in a PDF file, they can all run exactly the same way."

# Measuring ROI: From Fuzzy Math to Web Traffic Metrics

Gauging the return on investment (ROI) for interactive PDFs is becoming less like fuzzy math and more like concrete Web traffic metrics. However, the concreteness has yet to solidify for some publishers. "When you start looking for the return-on-investment on rich PDF, it may be tough to find, unless advertisers have suddenly found a new enthusiasm for it in the last couple of years, which I doubt," opines Dan Brill, a Toronto-based publishing consultant. Brill blazed the rich media PDF trail a few years ago for interactive editions of his Graphic Exchange magazine, developed in conjunction with Connolly.

"Online advertising is much easier to understand and measure (at least, in theory). I only ever offered PDF ads as a bonus to print advertisers, hoping they would eventually catch on. But I never succeeded in turning a profit on producing digital editions."

### PDF as Adjunct to Print

Publishers interested in calculating ROI for interactive PDFs as adjuncts to paper editions should take into account these factors:

- print cost savings,
- shipping/distribution cost savings,
- process automation savings
   (for example, data entry eliminated
   via fillable forms inside PDFs or traffic
   driven to Web forms)
- capturing subscribers not interested in print editions and favor a publication's digital editions, extending advertisers' exposure to those non-print subscribers, and
- "greenwashing" a publication's image.

  In addition, publishers gain the ability to track closely response and distribution and get hard data to replace educated guesses. To see an example of hard data in action, look at the real-time metrics on Nxtbook Media's PDF and Flash-driven interactive publications. Brill thinks the use of rich PDF will grow as PDF has grown overall, especially as design tools develop. "PDF is a natural choice to fill gaps in

the publishing spectrum not adequately covered by Web pages. He says the audience for digital pages will inevitably demand the same elegance in page design as they see now in print, together with the richness in content that they find online. He feels PDF is a remarkably good choice for delivering this rich experience.

# Printers Can Benefit From PDF

Some printers are ambivalent about interactive PDFs. It can seem these electronic editions steal work from the presses and undermine the foundation of a printer's business model. On the other hand, interactive PDFs offer printers an opportunity to grab some business customers are taking elsewhere.

"Print, television and radio—at least in my lifetime—are not going to go away, so they have to still hold strong to what they're good at," says Jeremy Fishman, founder of Phoenix Creative, a design firm that does Web and print production work. "But they have to expand, to be smart and figure out how new forms of media can fit into their business model. Just as ad agencies



have been buying up or adding interactive divisions to their companies, print companies need to look at it the same way. A Web site is a form of print, an interactive Flash piece is another form of print, the computer is another form of print."

"A business trend in printers' favor," Jahn says, "is outsourcing. As more companies outsource everything, including the development of content suited to interactive PDFs, printers have an opportunity to jump into the game."

Michael Jahn, a PDF-for-prepress workflow pioneer and conversion specialist for the e-book market, says it might seem printing companies that add interactive PDF development services to their service lines risk cannibalizing their core services. Getting into interactive PDFs and Web development, however, can be a survival route for printers whose print work is dwindling, he says.

The biggest asset printers, premedia firms, and print publishers is their extensive experience with production quality and all that goes into it, which gives these companies a competitive advantage over non-print content developers. "All the smart printing companies have already made this transition. They've figured it out," Jahn says. "If we look at the smaller printers, what else are we going to do if nobody's that interested in print? You could become more of a marketing company, get to know your clients better, what their pain points are, and how you can help them grow their business. A printer is a service organization. It just happens that before, we printed stuff and shipped it out the back end of our office."

A business trend in printers' favor, Jahn says, is outsourcing. As more companies outsource everything, including the development of content suited to interactive PDFs, printers have an opportunity to jump into the game.

Connolly says that publishers and printers that want to develop interactive PDFs—especially those enabling e-commerce, which involves more back-end support and logistics—need to hire people skilled

in building databases and plugging PDFs into them. Publications that include forms have moved to the forefront of his business, which is a change from the mid-2000s when e-pubs were more focused on rich media.

Connolly says not enough people understand how to make PDF forms interactive. "Those skill sets are not very popular; that's a hard one to get. The people building the PDFs might be able to make it look nice, but they don't understand the JavaScript to make it interactive. That's a huge, giant hole out there in this whole system."

In addition, any team that handles interactive PDFs must include a "systems-integrator type," a role that Connolly describes as a manager who can look at a PDF and work out how the information will flow in and out of it. This person also needs to know which parts need to be assigned to the database manager, the JavaScript programmer, and designers, as well as how to track the traffic the document generates. Companies that can put together a service line to accomplish these tasks, he says, are in demand.



### **Various Levels of Interactivity**

Almost every PDF (except scanned pages that haven't been run through optical character recognition software) includes a basic level of interactivity: searchability. Other basic, 101-level interactive elements include bookmarks, Web links, buttons and transitions from page to page that make it easier for readers to navigate the document. Ali Hanyaloglu, Adobe Acrobat product marketing manager, says navigation aids help most in longer documents.

In addition to audio, the 202-level features include video and other Flash suitable content. For years, Acrobat offered embeddable QuickTime video and before that links to Web videos that would play inside the PDF. With the release of Version 9 last year, Acrobat Reader now plays Flash content inside PDFs, with no streaming Internet connection required. The Flash capabilities built into PDF make the format a viable container for all sorts of content and animations that were marooned on the Web or on CD-ROMs and DVDs.

"Instead of just having the marketing piece, the sales quote, or whatever it may be, as a document in PDF, [you can] differentiate it from all the others out there by incorporating video," Hanyaloglu says. "It's being able to get someone engaged in the document so that they act on it in some way."

### **Acrobat Not Required**

Printers and publishers don't even need Acrobat to build the basic interactive features into PDFs. They can be added within InDesign. Michael Ninness, InDesign senior product manager, says designers can begin creating interactive forms in InDesign, as well. The job can be finished in Acrobat.

InDesign users urged Adobe to add interactive PDF authoring features into the application, and they're demanding more.

Ninness says publishers want to deliver their content in multiple channels and print is just one of those channels. "Print's still a core offering, but that's not their only choice. They want digital formats as well, they want interactive formats, and, of course, they look to InDesign as their authoring tool. They just expect that those capabilities will be built in so they don't have to learn another tool." InDesign users urged Adobe to add interactive PDF authoring features into the application, and they're demanding more.

Adding advanced, 303-level PDF interactivity requires more back-end support and pre-planning, but it can be done. Some 303-level features include:

- Maps. Adobe Acrobat and Acrobat Reader support geospatial mapping in PDFs, complete with zoom and distancemeasurement tools.
- 3-D. PDF versions of manufacturing and engineering documents, including parts catalogs, instruction manuals, and repair guides, can offer a wealth of views of crucial structures, which users can rotate at will.
- Virtual reality. This feature sounds like something out of science fiction, but is worth exploring. Realtors, for example, might want to know the company that prints their fliers can also create a PDF with a virtual walk-through of the property.



#### **Best Practices**

The fact that most interactive PDFs are still pretty basic should encourage publishers and printers that want to start using them. Experts offer several key pointers on creating usable interactive publications using PDF. First, make them small. One would think that since cable and DSL modems are used widely, file size wouldn't be a concern. No way, says Fishman. In the workplace, even fast Web connections bog down when everyone's sharing the service.

The following will happen to your interactive PDF when Windows users click to download a file bigger than roughly two megabytes. "They'll open it five or six different times and they'll try to close it five or six different times before it finishes loading," Fishman says. "Then you get people frustrated trying to open a PDF that 'won't work,' even though really it's not done loading."

Connolly and Fishman offer several production tips for reducing file size if you're starting with print-ready files and creating interactive PDFs:

- Explore InDesign and Acrobat's file-size reduction features.
- Make every image 150 dpi.
- Do as much production work as possible in InDesign—text, colors and blends, boxes—even if you're more accustomed to Illustrator or Photoshop. Importing Photoshop files instead of TIFFs or JPEGs also goes a long way toward preventing file bloat.
- For large Web-delivered files (as opposed to e-mail), enable "Fast Web View," which downloads a page at a time instead of forcing users to wait for the whole PDF to download before they can open it.

Connolly's No. 1 design tip is to put all documents (print and interactive PDFs) in landscape orientation. Some designers hate this idea, a reaction he knows from personal experience, but he's convinced there's no way to make a publication look good onscreen in two-page spreads because readers are forced to enlarge such layouts to read the text. Using a 10-by-7.5 aspect ratio makes the printed version look and feel like its onscreen counterpart. "Try to think of everything as a single-page spread," Connolly says.

"But when it opens to a two-page spread in a landscape magazine—wow, that becomes a panorama."

He recommends using only sans serif fonts at least 8 point and larger, if possible. He also advises staying away from ink and toner-sucking black backgrounds in deference to readers who might print out a page.

#### Flash or PDF?

Sometimes a project might seem as if it would be better served written as a Flash application instead of a PDF. To decide, consider the client's wishes. If the imagined end-result feels more like a PowerPoint presentation with snappy animations, Flash is the way to go. "But if they just want to capture data from users, interactive PDF is definitely the way to go," Fishman says.

## Our Take: Time to Get Off the Bench

The main barriers to making interactive PDFs even more effective are building the back-end IT support to do more with the collected data. Publishers must also



persuade customers to trust third parties with contact data so the publishers can support more features in their PDFs.

Printers that overcome the barriers to development and information access can get more involved in creating and administering interactive PDF editions of print publications. First, they must overcome their fears of PDF replacing print jobs. In this economy, something's going to be taking away those print jobs, but developing interactive PDFs presents an opportunity to get a piece of what's next.

There are several approaches to accomplish this:

Farm it out. Establish relationships with developers in your region and work out agreements with them to subcontract their services. Fishman, who moves comfortably from design to print to interactive brochures and forms development, tells printer clients to "just pretend I work for you when selling jobs to customers. You don't have to use the name Phoenix Creative. I don't care, as long as I get paid." By working with local talent and representing it as your own to your customer base, you can give your

company a boost without having to create an in-house division.

Expand your business. Some printers have launched Web development divisions. Connolly has sometimes observed that print and Web folks in these shops are wary of each other. Getting staffers to drop turf issues is key to producing attractive digital publications whose interactive elements (tracking metrics, order-taking, flashy content) actually work.

An ideal place to begin showcasing your interactive division's new capabilities is creating a downloadable PDF marketing brochure for your business. Include a spoken message from the CEO, a video tour of the plant, samples of client work, trackable ads for certain specialty services, and, of course, lead generation.

If you're not ready for an interactive brochure yet, your company can offer conversion services that turn print-ready PDFs into download-friendly documents ready for handoff to interactive developers. Differentiating your service line from your competitor's can enhance your ability to hold on to the business you've got. At

least you can offer to manage the handoff between your shop and a full-service interactive magazine developer such as **Texterity, Zinio,** or **Nxtbook Media**.

Do nothing. If you see your competition doing the above or things like it and you feel good about the way things are going for your business right now, you might choose to stand pat. Not the best idea, in the long run, but it's an option many printers will choose.

## Use AIR to Package

One more suggestion: investigate AIR. Adobe's platform for rich-Internet applications can wrap up PDF and Flash into its own slick little package. Some digital magazine publishers offer AIR downloads for offline viewing instead of straight PDFs. But, since AIR applications are executable, they are not welcome inside all corporate firewalls, whereas PDFs breeze right through most. So before you go down the AIR development path, make sure it's an appropriate content-delivery option for your customers.



Printers that overcome the barriers to development and information access can get more involved in creating and administering interactive PDF editions of print publications.

# Case Study: From interactive to Print

Most of us are feeling the belt-tightening budget reductions in one market or another. The Ontario Association of Community Care Access Centres (OACCAC), a government-run healthcare business, is unfortunate enough to span two financially constrained market sectors: government and healthcare.

Thus, saving printing and production costs, as well as saving man-hours by automating as many processes as possible, was doubly important when the organization created its registration catalog and, later, the program for its 2009 annual conference in Toronto.

Connolly's company handled the creation of the brochure within the budget

constraints by reversing the customary print-to-interactive workflow. Instead, he started with an interactive PDF conference brochure to register attendees and built the printed show program from it.

Knowing a print brochure would be created from the PDF, the designers used high resolution images in the PDF. For the final version of the interactive PDF, the designers downsampled the interactive PDF to 150 dpi. For distribution, it was sent via e-mail and posted on the OACCAC site.

#### OACCAC ebrochure can be downloaded here.

Since the brochure included interactive forms, it was possible to sign up almost all of the estimated 1,000 healthcare workers for the event through the PDF. The form also made it possible to collect the fees online, handle reservations for seats at conference sessions, meals, a dinner cruise, and book rooms at the show hotel.

The interactive PDF included several complex interactive forms. For instance, it automatically chose between attendees' first and second choices for sessions in a given time slot as the more popular sessions sold out. Various healthcare facilities received different discounts, and

pdfPictures accommodated those needs by embedding block-discount codes on custom versions of the PDF and distributing them via e-mail to the respective recipients.

The designers produced the printed conference program using the PDF as the starting point and added high-resolution ads to the print version. The print version was 12 pages longer than the PDF, 40 pages in all. It included versions of sponsor advertisements from the Canadian Red Cross, Dell, and Adobe, and additional content such as exhibit hall maps, a full sponsor list, and a directory of exhibitors.

Typical prepress work was required for the print version—adjusting color, orienting it in spreads, stripping out the navigation menus and adding crop marks, and other tasks. The beauty of the workflow, Connolly says, is the high resolution design made the move from screen to print easy. "It worked out so well everybody took the brochure. The show sold out and none of the brochures were left in the garbage," Connolly says. "Usually you don't see nice landscape brochures for these conventions. Usually they're thrown together."

# More Opportunities for Printers

Printers can attract more business, Connolly believes, by helping customers sidestep Web-development costs. For instance, he says, consider a customer with a \$100,000 budget for a publication: \$50,000 for print and \$50,000 for a companion Web site. If the printer can sell a dual interactive PDF and print scenario similar to the OACCAC program, the company might snag a \$50,000 print job and a \$5,000 interactive PDF job to go with it, thus preserving the print job revenue.

"The printer is getting his \$50,000, plus he's getting another \$5,000, but he's actually saving [the customer] \$45,000 because you don't have to build the Web site," Connolly says. "It can all be handled in the PDF file, either online or off, and it looks a lot more attractive. The products can be a lot bigger, and the PostScript font looks a thousand times better than the HTML font." **TSR** 

Don Fluckinger is a freelance writer in Nashua, NH. His business journalism experience includes writing and editing articles for **Desktop Publishers Journal**, developing and editing graphic-design books for Rockport Publishers, and covering the world of PDF technology for Ziff-Davis Enterprise's **PDFzone.com**.

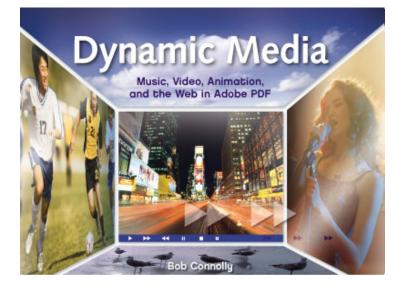
# Adding Interactive Elements to the Seybold Report (Electronic Version)

We have added several interactive elements to a special edition of the electronic version

of this issue. We added bookmarks to the three articles from the cover page. We also added links at several places within articles. You can tell if a live link is present because the text is highlighted in **blue** in the PDF.

We have added a number of links for additional information. We also turned the image (at right) in this article into a button. Clicking on that button/image will launch a 17 minute video in which Bob Connolly talks about creating interactive PDFs.

We plan to add interactive elements to future issues in order to experiment with the technology. Our aim, as always, is to create the best experience for our readers as is possible while balancing cool and fun with time and budget constraints. It took about one day, for example, to add and check the interactive elements to the special version of this issue. We added all the interactivity within Adobe Acrobat.



# Is It Time to Invest in PURLs?

By Heidi Tolliver-Nigro

Personalized uniform resource locaters (PURLS) take recipients to individual landing pages where the user is greeted by name and can present information based on the user's stated preferences or from a marketer's database.

Personalized URLs also record site visitors' behavior, which can range from extremely simple to incredibly complex. Although in this article we focus on the use of print and URLs, Personalized URLs are not printspecific; they can be generated for print or e-mail.

While the software for producing Personalized URLs is available from more than a dozen manufacturers, Nimblefish claims the exclusive right to use the acronym "PURL." Therefore, these applications go by other names, such as "personalized URLs," "response URLs" (RURLs, trademarked by XMPie), "personalized landing pages," "personalized Web sites," "one-to-one







An image from MindFire's Web site explains to prospective customers the personalized URL workflow.

Note: this image is an interactive button in the electronic version of this issue. Click on it to see the Web page that uses it.

micro-Web sites," and even "customized Web sites," although the latter is technically inaccurate.

Most personalized URL campaigns have a similar structure: a site encourages someone who visits it to take a short survey (usually three to five questions) by clicking radio buttons. Recipients may be offered a response incentive, such as a gift or entry into a sweepstakes, to motivate them to provide personal or business information.

In some campaigns, the responses given on the survey trigger different messages, images, and offers on the subsequent pages. Information goes to the marketer in real time, so that they can track the

effectiveness of the campaign, prioritize sales leads, and act immediately on hot leads. They can also use the information to update and append customer databases and better target future communications.

Appending databases is critical, notes John Foley, president and CEO of interlinkONE, an integrated marketing solutions company, because so many companies think that "database" means someone else's database instead of their own, "For marketing departments and marketing in general, what is the best database you can acquire?" he asks. "Everybody picks their favorites, like Accudata, but in reality the best database is the one you build yourself. That lends itself to personalized URLs."

Most personalized URL solutions allow users to choose between two approaches for viewing results. First is a graphical snapshot that presents the data in top-line charts and graphs designed for marketers and other nontechnical users. Second is a detailed spreadsheet format for use by data miners and IT specialists.

Another benefit is that salespeople can typically watch responses and respond to hot leads in real time. For example, the survey might ask respondents if they plan to make a capital investment and if so, in what time frame. Many solutions give the option of providing leads by e-mail, PDA, or cell phone. Some will even autogenerate actionable leads in batch form. Many personalized URL solutions integrate into standard customer relationship management software, such as SalesForce.com or Constant Contact.

# Personalized URLs Work, Depending

As with any marketing approach, the effectiveness of personalized URLs depends on implementation. Any campaign has an incredible number of variables

including the quality of the database (in-house, rented); the level of targeting (undifferentiated, segmented); and the type of campaign (customer loyalty, prospecting). Other variables include:

- the relevance of the message and offer to the recipient
- the quality and creativity of the message
- the offer, and
- the incentive

## **Three Typical Applications**

Case studies provide an anecdotal perspective on the effectiveness of a well-implemented campaign. Here are three typical applications:

- Undifferentiated mailings based on a rented list
- Targeted lead generation or direct sales mailings based on a company's in-house list
- Customer surveys, event registrations, and other non-direct-sales mailings to in-house lists

### **Undifferentiated Mailings**

The results for undifferentiated personalized URL campaigns will usually be in the single digits—a very good number compared to traditional results for undifferentiated direct mail. PrintManagement of Cincinnati completed a six-month pilot (including a four-month partnership with Marketing Strategies, also of Cincinnati) for Mercy Healthcare Partners targeting new residents based on geographic region. The program returned a response rate of more than 6% during the first five months. The client was thrilled, partially because the response rate exceeded expectations by 20%, but also because the campaign has a terrific conversion rate of 29%.

### **Targeted Lead Generation**

By definition, these campaigns start with a more targeted list (often customers or prospects who have already had some kind of contact with the company), so the response rates tend to be much higher. It's not unusual to see response rates of campaigns using personalized URLs ranging from 8% to 13%.

One example from the PODi case study database is from Hewlett Packard, which created a campaign called "Print Play" to cross-sell and up-sell to existing customers. The company mailed 47,000 pieces in eight countries throughout Europe. The pieces were printed in the customers' native languages and contained tailored upgrade options presented in a variety of customized content and images. Each piece contained a personalized URL directing recipients to their own Web site with more information on upgrade packages based on previous purchases. The sites also gave respondents an opportunity to register and qualify for a prize. The result was a relevant offer sent to each customer by name and in their own language, referencing their current business, product, and region and using imagery of personal and professional interest. A personalized URL and bar code were added for individual tracking and scanning of printed pieces. The campaign garnered a 12.6% response.

## **Customer Surveys**

Personalized URLs used for customer surveys can be effective—especially when the desired response doesn't involve cash

outlay (such as a customer survey or an invitation to attend a free seminar). In such cases, response rates around 30% are common. RT Associates, a printing service provider, achieved a phenomenal 93% response rate using personalized URLs. It uses this approach to conduct post-job customer feedback surveys. Once a week, they pull data on active print jobs and compose and mail variable card files. The surveys include incentives, such as dining gift cards. On average, the company produces 86 cards per week, which it uses to track the satisfaction of its clients and address areas for improvement, when necessary. An incidental benefit has been an increase in print jobs from some clients, which RT Associates attributes to the fact that the customers feel that the company cares about them and takes their comments seriously.

Not all results are as spectacular, of course. The Salt River Project, a large public utility in Arizona, received a more typical response rate when it used personalized URLs to solicit feedback on a publicity event. After its annual economic forecast breakfast, the utility sent attendees a personalized mailer that included a picture of the customer with

his or her account manager (taken at the breakfast), along with a request to fill out a feedback survey. Instead of the 2% response it expected, the response rate was 26%.

It's not unusual to see response rates of campaigns using personalized URLs ranging from 8% to 13%.

#### A Word of Caution

Case studies such as these come from best practices sources and are publicized because they were implemented well. Many programs are implemented badly, "Folks only hear the good results. They don't hear about the testing, the failures, the re-testing, and the broken launches," says Wrich Printz, president and CEO of L2, which sells Fuse, a comprehensive design engine for building fully customized personalized URLs and other channel campaigns. "While that might be good marketing, it sets unrealistic expectations in the market and hides the real work needed to make personalized URL work for the client and the end user."

As discussed at length in the marketer's primer Personalized URLs: Beyond the Hype [editor's note: the author of this article is the author of this report] from Digital Printing Reports (which includes an entire section on why personalized URL campaigns fail), personalized URLs are merely a response mechanism. You could use a reply form, a toll-free number, or any of a number of vehicles for response. What makes the campaign succeed is not the personalized URL itself, but the quality of the larger campaign and whether a personalized URL is the best response mechanism.

...marketing expertise, including knowledge of recipient demographics and psychographics, plays a critical role in the success of a campaign.

In the Mercy Healthcare Partners campaign, for example, the program included two response mechanisms: the personalized URL and a printed form.

Both channels asked the same questions

and led to the same end result, but the organization allowed recipients to choose the response channel with which they felt more comfortable. Two-thirds of the nearly 1,300 responses received by MHP came in through business reply envelopes (BREs) and only one-third through personalized URLs. This doesn't necessarily mean that BREs were more successful, however. While the overall conversion rate for the campaign was 29%, the conversion rate of those responding by personalized URL was 50%. This is why marketing expertise, including knowledge of recipient demographics and psychographics, plays a critical role in the success of a campaign.

# How to Choose a Personalized URL Solution

If you are in the market for a personalized URL solution, you should look for several features. First, it's important to recognize that at their most basic, these campaigns have two components: the personalized URL itself and the mini-site to which the respondent is directed. The technology for creating the URL itself is very simple, and there is little if anything to differentiate the personalized URLs. The differences in the

solution come from the software's ease of use, the efficiency with which tasks can be accomplished, and the larger solution (such as integration into a larger multichannel marketing suite) that the vendor has built around it.

## **Pricing Model**

There are essentially two major service/ pricing models for personalized URLs. The first is Software a Service (SaaS) based, such as Printable, OnDialog, Easy-personalizedURL.com, and others. This model is a hosted solution on the Web. If a solution is Web-based, that arrangement reduces the cost of deployment per account, and development costs are amortized over hundreds or thousands of clients. There is no hardware to buy or maintain, as the application service provider hosts the software and the Web pages. Start-up cost are low, but there are additional, ongoing fees based on usage.

The second model includes server-based solutions (XMPie, interlink ONE): this model is delivered on one or more servers. On one hand, once the solution is brought in-house and hosted by the client, the client takes on the liability of hosting the

Web pages. On the other hand, once it is purchased, there are no recurring click or other charges. Ongoing costs include such things as hardware maintenance, IT staff training, and a secure IT infrastructure that allows for daily backup and redundant Internet connections. While the initial outlay is larger, this model can be highly cost-effective for high-volume and ongoing campaigns.

# Point Solutions Versus Integrated Marketing

Another way to slice and dice the personalized URL software alternatives is to look at them from the perspective of point solutions vs. Web-to-print, multichannel marketing, or workflow integration solutions.

Point solutions are designed for one thing—personalized URLs—and little more. Multichannel marketing and workflow integration solutions are designed to manage multichannel workflows and marketing programs, often with common, integrated databases and business rules. Some allow all of the elements to be monitored from a central dashboard.

interlinkONE is a good example of an integrated marketing solution. The software consists of six modules (marketing, orders, Web-to-print, sales/CRM, warehouse management, project management) that typically deliver the same results as more than nine fully integrated individual solutions. Its fully integrated software platform works off the same database and provides a holistic view of all activity performed in the system.

Historically, integrated solutions have been server-based and cost tens of thousands of dollars. But the emergence of SaaS models has brought down the prices considerably. XMPie is one of the big players in the server-based space. Because of the significant number of configurations and pricing options available, XMPie does not disclose its pricing publicly. However, its entry-level e-media solution starts at around \$30,000, with prices climbing up considerably as capabilities such as 1:1 printing and Web-to-print are added. Additional IT-related functionality, such as increased bandwidth and fail-over, as well as additional service fees, can also increase costs. Other server-based solutions can be quoted in the \$25,000 to \$65,000 range,

plus attending fees.

Pricing for a SaaS solution, in contrast, settles around \$2,500 per month, plus additional fees. Pricing for interlinkONE, for example, starts at \$2,500 a month (an entry-level solution starts at \$1,000), with transactions that scale down based on volume. On Dialog offers its SaaS solution at \$2,500 per month for up to 100,000 active records at one time, scaling up to \$25,000 for one million simultaneously active records or more. Packages from EasypersonalizedURL.com start as low as \$2,500 up front, plus a \$295 monthly fee (including 10,000 free records), and a perpersonalized URL fee based on overages. It also offers separate business and marketing support packages, as well as a per-project fee priced on a custom basis.

Personalized URLs are also being integrated into traditional Web-to-print solutions such as Printable. The company now offers its Fusion Pro Links SaaS solution (with unlimited personalized URLs) for a one-time fee of \$995 (plus a \$500 maintenance fee per year after one year of service). A less-familiar company, Gluon offers personalized URLs as part of

its HyperPublishing solution (a rendering tool for a variety of publishing needs, from Quark files to personalized URLs), which is priced on a custom basis.

Prices of design engines such as L2's Fuse are also more complicated to estimate. L2 sells an applications model (to support specific marketing applications) as well as a general license (starting at \$10,000 per year) for organizations with significant in-house expertise that want to be trained to plan, design, and launch multichannel, cross-media campaigns (direct mail, e-mail, personalized URLs, and SMS) on their own.

# Differentiating Personalized URL Solutions

There are many options for investing in an in-house solution. First, though, it's important to reiterate that what makes or breaks personalized URL campaigns is not the software, but the non-technical aspects including the marketing expertise that supports the campaign. As with any marketing campaign, it's about the creative, the marketing copy, the hook, the incentive, and the product or service being sold.

Companies that don't have the expertise

to understand and develop multichannel marketing campaigns shouldn't purchase personalized URL-generation software. They should be working with a marketing firm or another marketing partner to learn the basics. For organizations ready to purchase, the differentiators are not only the functionality of the software and its pricing structure, but its level of integration into other components of the marketing campaign or production workflow. In this case, it is more about the kinds of marketing campaigns an organization wants to create and the level of integration, flexibility, and multichannel functionality required.

Not knowing basic goals can result in focusing too much energy on basic feature sets and pricing, which is the wrong way to choose any software.

Organizations unsure exactly how many channels need to be integrated or what the broader campaigns will look like should refrain from purchasing until they know. Not knowing basic goals can result in focusing too much energy on basic feature

sets and pricing, which is the wrong way to choose any software.

Once organizations understand the types of marketing campaigns they intend to create, here are some of the other differentiators to keep in mind:

- pricing model (SaaS or hosted),
- click charges (generally scale based on volume)
- whether you are charged by personalized URL creation or number of pages live at one time
- flexibility of template creation and customization, including site navigation
- channels integrated
- existence of a centralized dashboard for monitoring the results of campaigns
- availability of a centralized database and cross-media rules
- mailing options (such as intelligent bar coding)
- available training and marketing resources
- ease of use (speed and ease with which templates can be designed, elements added or changed, and integration with



popular applications like Adobe InDesign)

- data handling (is the data gathered in the campaign held in the software and must it be exported into other programs, or does the solution manage all of the customer data from a centralized location?), and
- point solution versus integrated marketing suite

#### **Point Solutions**

For limited marketing budgets, point solutions will meet a company's marketing goals, especially in the short term.

But recognizing that today's marketing strategies are increasingly multichannel is also important. For printers looking to sell themselves as marketing services providers, it is becoming critical to offer not just multichannel production capabilities but also a comprehensive multichannel marketing strategy.

The choice of a solution needs to be guided by the intended applications. For example, if you plan to provide marketing services, you might want to look at an integrated marketing solution such as L2, interlinkONE,

or XMPie. If you are looking to invest in a Web-to-print solution for smaller marketers with simpler marketing strategies and budgets, you might want to look at solutions such as Printable.

If you only want a personalized URL solution, but for higher volumes (into the millions), you might look at a solution such as OnDialog, which scales from \$2,500 to \$25,000 per year based on volume.

If you are looking for an all-around solution primarily for graphic arts applications such as personalized URLs, direct mail, and e-mail, you might look at MindFire. On the other hand, if you have extensive publishing systems in place, you will want to look at very publishing-intensive solutions like Gluon. Then there are other companies that offer personalized URL solutions for marketing, such as Nimblefish, Naehas, and Bluetree.

# User Interfaces Versus Design Engines

Another area of differentiation is whether the solution is primarily a user interface or a design engine. A user interface is optimized for easy and intuitive interface with the user (common with personalized URL capabilities integrated into Webto-print solutions), and are not always designed to offer a high level of flexibility.

A design engine can build applications from scratch and allows you to do almost anything you want to do. However, design engines might not be as easy or intuitive to use. Purchasers need to ask these kinds of questions:

- How complex are my campaign design needs?
- Will customizing a template be sufficient?
- Will I need to add or delete pages?
- Will I need to change the navigation path?
- Will I need additional functionality, such as building charts or hypotheticals on the fly?
- Or, will I need to integrate with other elements in a multi-touch campaign in ways a template-based solution does not support?

### Half Marketing, Half IT

If you want more than the standard design elements and navigation, you might need someone on staff to handle the programming. "A lot of companies are buying the software without putting enough thought into who will be developing the campaigns, developing the database, and who will provide the creativity and the brains behind these campaigns," says interlinkONE's Foley. "They need someone who is half marketing person and half IT. [Unless you are working only with provided templates], you need to dedicate resources there as well."

# Core Competency and Channels

It all comes down to the core competency you need and the channels you intend to pursue. "If you're serious about using the software to its greatest ability, you need a centralized database," Foley continues. "When you do direct mail and print ads, that's a channel and media type. If you do e-mail and personalized URLs, that's a channel and a response mechanism. All those databases should be fed off the

same master database that does your direct mail, e-mail, SMS text messaging, and QR codes. That's why unifying marketing communications can only be achieved with an integrated marketing solution."

The need for an integrated solution is also why personalized URL, Web-to-print, and 1:1 capabilities are converging. Marketers and software suppliers are recognizing that, especially for marketers actively pursuing multichannel marketing, these campaigns cannot stand alone. They must be integrated so they can be tracked, monitored, and measured so they function together as an integrated unit.

"It's hard to fairly characterize the success of the overall campaign or even characterize channel differences if the measurement rules and reports are spread across multiple systems," says Phil Rose, Product Marketing Manager for XMPie. "That's why our uProduce Marketing Console allows external systems to push data into XMPie—to bring a single dashboard solution to marketers regardless of what channels were used in the campaign."

Increasingly, personalized URL software providers are working to incorporate multiple

channels beyond print. At some point in the not-too-distant future, most if not all personalized URL solutions will probably incorporate at least e-mail, and potentially other marketing channels, as well.

Likewise, most (if not all) Web-to-print, 1:1 printing, and multichannel marketing solutions will likely include personalized URL capability by default. "It's just important to remember that the ability to generate a personalized URL in a Web-to-print scenario is not exactly the same as the ability to serve the Web page," says Rose. "Most software today can generate the printed URL, but if the systems are not linked, all sorts of issues emerge: tracking and reporting, consistency, and so forth."

EasypersonalizedURL.com offers a unique twist on integration with its integration with the United States Postal Service's intelligent bar coding system. Its proprietary e-mail program allows automatic e-mail triggers, such as sending follow-ups to campaign responders or e-mail reminders to non-responders, even as early as the day that the mailer arrives at the recipient's house.

This is an exciting market to watch and

the software is evolving quickly. The more anecdotal evidence we compile, the more it becomes clear that personalized URLs should be included for consideration in the mix of any multichannel marketing campaign.

# Personalized URLs As Marketing Solution

But despite the heavy technology focus, it's important to remember that personalized URLs are a marketing solution and not a technology solution. "This is really a critical point," concludes XMPie's Rose. "Without a good offer, it doesn't really matter which channel or mix of channels you employ. On the other hand, it is evident that with a good offer, adding personalized URLs adds another avenue of approach not only for the marketer to the prospect, but for the prospect to the company. After all, people have preferred methods of interaction. Just as in a foreign country, if you can speak their language you'll get a lot further with the conversation." TSR

To learn more about Tolliver-Nigro's report on personalized URLS, visit: www.digitalprintingreports.com/marketer\_primers\_purls.htm

#### DIGITAL PRINTING REPORTS

SPECIAL REPORTS AND INDUSTRY ANALYSIS FROM HEIDI TOLLIVER-NIGRO

DIGITAL PRINTING, 1:1 (PERSONALIZED) PRINTING, WEB-TO-PRINT, PERSONALIZED URLS, DIGITAL PRESS HARDWARE & SOFTWARE COMPARISON CHARTS



### Personalized URLs: Beyond the Hype

Overview, Lessons Learned, and Best Practices for PURLs, RURLs, and Other -URLs

Most Recent Report Update: April 2009

#### Target Audience:

- \* Marketers, creatives, ad agencies
- \* Digital print shops and marketing services providers
- \* Digital press, software, and other vendors
- \* Research firms

There is a lot of hype surrounding Personalized URLs these days, but what is the reality behind the hype? Do these applications deliver on the promise? "Personalized URLs: Beyond the Hype" addresses this question. The answer is one that every marketer and 1: 1 print provider should take to heart.

Personalized URL applications have a wide variety of uses, including sales prospecting, customer surveying, event registrations, information dissemination, and obtaining customer and user feedback. But while they have generated a lot of success, they have generated a lot of disappointment, too-primarily because of a lack of realistic expectations.

This reports provides a no-nonsense look at the role of personalized URLs and 1:1 printing in increasing the effectiveness of companies' marketing programs. It looks at key application categories, "best in class" case studies, lessons learned over time, and best practices for optimizing their use. Printers and marketers can optimize the value of this report by purchasing an enterprise license for broader marketing and education.



#### RELATED PRIMERS

Digital Printing: Transforming Business and Marketing Models

Go!

Web-to-Print: Transforming Document Management and Marketing

Go!

1:1 (Personalized) Printing: Boosting Profits Through Relevance

Go!



# Mobile Devices Present an Opportunity for Publishers

By Chuck Lenatti

Within the past few weeks, the battle for attention from mobile readers has heated up. Amazon introduced a larger Kindle, Apple upped the ante with a new iPhone, and Palm officially entered the fray with its Pre.

The new iPhone 3GS supposedly will be faster on AT&T's 3G network. Palm's new Pre will only be available on Sprint for the next six months. The new Kindle DX, meanwhile, seems to be aimed squarely at the textbook market, which is overdue for an overhaul.

What do these new devices and the many others that will follow mean for publishers? We asked Cimarron Buser, Senior Vice President of Marketing and Business Development at Texterity and an avid gadget geek. Texterity specializes in formatting print magazines for the Web and optimizing magazine content for digital media.

#### **Below the Surface**

Over the years, Buser has seen a lot of devices come and go, many of them well designed. What's different now, he says, is that more publishers are involved and more content is available and more is being converted to digital. Also, publishers are building digital applications of print content into their workflow. While the devices seem to get most of the attention, it's really what's going on unnoticed that makes the difference.

"People see the tip of the iceberg, but not what's below the surface," Buser says. "People see the Kindle, but what they don't understand is that there's a whole infrastructure underneath that supports how the content is converted, uploaded, provided to Amazon, and distributed from the publishers, and that's a lot better now," he says. Why have some other excellent e-book devices never caught on? The device is about one-tenth of the problem, and the other 90% is everything else: content, ease of use, distribution model, service.

### Where the Kindle Fits, Maybe

The Kindle isn't necessarily the best e-reader, but Amazon makes downloading books from its vast inventory quick and easy from almost anywhere in the United States via its Whispernet network. And while you don't get that new book smell from the Kindle, some readers soon forget they're reading on an electronic device.

Adapting newspapers and magazines to mobile media might be more difficult than books. For content other than books, layout becomes a variable. Newspapers generally contain more text than images. But, magazines present more of a problem. "[Magazine] layout communicates something you can't get from HTML text. That area has not yet been solved," says Buser.

The larger Kindle DX might be better for newspapers, but it still doesn't address newspaper publishers' most urgent conundrum: digital advertising revenues. While Amazon has a good grasp of the book market, the company's current business model doesn't really lend itself to renewing magazine subscriptions. In addition, Amazon doesn't currently allow advertising



and requires magazines to charge end users to be in the Kindle magazine catalog. "If you're a free magazine, for example, a controlled publication, there's no place for you," Buser says. "The DX could be decent, but Amazon has to resolve some of the business model issues around magazines."

Adapting newspapers and magazines to mobile media might be more difficult than books. For content other than books, layout becomes a variable.

Instead, Amazon is focusing its larger device on the academic book market. The production and development expense of textbooks makes it difficult to understand how Amazon can develop a workable business model in this market, and students also dislike the cost involved in the device. "The holy grail is a business model that has digital rights management built into it, which the Kindle does, and is a vertical delivery platform."

# Using the iPhone for Magazine Mobile Content

Since the black and white electrophoretic technology that powers Amazon's Kindle can't support high-resolution color, the iPhone might work better for magazines. With high resolution and good display quality, Buser prefers the iPhone to almost any other device, although he would love to see a larger version.

The layout and look of consumer publications is often what sets them apart, and many publishers are developing specialized digital plans for mobile as well as the desktop. "Although an opportunity exists for the Kindle, Blackberry, and other newer devices, the iPhone is amazingly good already and we're focusing on the iPhone because it has a decent penetration—14-15 million, depending on who you talk to, for the iPhone and iPod Touch—and is holding its own," Buser says.

According to a Texterity survey, more digital magazine subscribers want content on the iPhone and the Blackberry than on other devices. "The Kindle and Sony eReader have nowhere near that level of interest yet," Buser says. Based on the interests of

both end-users and publishers, Texterity's first mobile solution is a magazine-specific iPhone application that allows publishers to leverage their digital editions and join the mobile market at a very small cost. Texterity will support other devices soon, but currently its focus remains on the iPhone.

#### **New Roads to Profit**

Developing content for mobile devices can open new roads to profit for publishers. "People get addicted to their device of choice, like the iPhone, and want to have everything on them," Buser says. When people are willing to pay for stuff they could normally get free, "you know something is going on," he says. Being associated with cool, popular devices is also attractive for publishers, allowing them to solidify their relationship with their readers by making a device important to them. "A second issue is to get promoted and have visibility. You're in the App Store, you're on the Kindle, you'll have visibility and people will find you. That's an audience development activity."

Texterity believes mobile has the potential to be as important as print, although Buser doesn't expect print to go away



anytime soon. Someone could read an article at home in the print version and then look at it again at the gym or on the road using their mobile device, making mobile applications an additional value for subscribers.

## Social Media is Important

The ability to share content on social media like Facebook and Twitter is also a very large opportunity for publishers, Buser says. "Being able to share content with people is a way to be nice to the reader, but also to get your brand out there," he says. "We have all the social networks integrated into our digital editions and we're developing our Facebook app that will make it a lot easier for people to share with their group. All of the social networks are valuable for publishers because they get their links out there and get them relevance on Google and other search engines."

Publishers aren't immediately concerned with making money from mobile, says Buser. They know that a paid [content] app will not generate much revenue up front. A free app provides more visibility but not much direct revenue. "Publishers like Premier Guitar say audience and lots of eyeballs are good:

'We have a print product, a digital edition, a Web site, newsletters, video, a whole selection of stuff, and one of the channels is mobile.' If you can get people to spend 15 minutes a day or an hour a week with your branded content, that's worth a lot to a publisher."

Texterity has found value in merely replicating the print magazine, but that is not enough. The company plans to make other embedded apps, and it is already making designed-for-digital editions on the platform. They intend to put these capabilities on the iPhone also. Smart phones will have additional features like geographical sensitivity and click-and-dial for phone numbers, which computers typically do not have. Making iPhone- or handset-specific features easy to use is key.

"Long-term, the digital edition today as a replica will evolve, and we are working with publishers to make these things more relevant to the medium they're on. It's a challenge because of the layout. For example, you can see a magazine like Spin doing significant enhancements of their existing replica edition. It starts as a replica. They have enhanced it with hundreds of links that are relevant to what they do. For example,

show me a video of this band, listen to this band, go buy this stuff, sample a song via Amazon, go to the band Web page. Spin has integrated rich media completely into its digital edition on every page to the point where it's quite a different experience than the printed edition," Buser says.

That's not to say that every magazine should follow that model. "A publisher could build a Flash presentation for every issue that does amazing things, but it's not economically feasible to do every week or every month. We're trying to make something exciting and enhanced and a good fit for the device, but at the same time not cost an arm and a leg," he says.

## **Opportunities for Advertisers**

Mobile platforms also present an opportunity for advertisers who can sponsor apps and participate in multimedia. "Especially in the B2B market, sometimes the advertisers have the best information," Buser explains. A publication's Web site does not always mirror its print version, and using mobile devices, print advertisers can reach online-only readers. Doing so would give advertisers and agencies more leverage on their print buy and additional reach. **TSR** 



# Digital Prepress and Books: the Tale of Macmillan Publishing

By Laurel Brunner

The tale of Macmillan Publishing, one of the United Kingdom's most important book publishers, is one of quite astonishing success.

Founded in 1843, this privately held company has thrived on the basis of astute business management and a commitment to high standards in literature and academic publishing. And also Macmillan is one of the world's biggest fans of digital production techniques.

Macmillan's best known titles, Nature, Groves Dictionary of Music, and Palgraves Dictionary of Political Economy, are well established multi-channel content brands. An army of printers worldwide produces their printed versions, using an array of technologies from gravure to conventional offset and digital printing. So how has digital prepress influenced Macmillan's business? We recently had the chance to put this, plus a number of other questions, to Macmillan's deputy chairman, Mike Barnard.

According to Mike it comes down to economics: "Undoubtedly the economics of book publishing changed completely when it became possible to take digital files produced by authors and convert them easily to typesetting files. It is difficult to remember now how cumbersome the process used to be in the days before DTP or sophisticated word processing programs, but as late as the 1980s keying and typesetting was costing book publishers around £10 a page for 'straight' text (in 1980 £s) and £20 or more per page for anything complicated. A 300-page book with straight text and no pictures was therefore costing £3,000 before it got anywhere near a printer. The printer then had to shoot film and make plates for a conventional litho press which anyway needed a long a messy set-up. The resulting prepress cost was prohibitive in the case of a short-run book unless it could justify a very high selling price."

Low cost prepress has done much to make publishing processes more accessible. This has benefited printers who have responded to new opportunities as well as to print buyers. For Mike "...it is interesting that what has secured the future of book

publishing in the gradual transition from one media to others, is that the technology has reduced the relative costs of producing lower hard copy runs as we move the sales emphasis over to alternative media. When we looked forward a few years ago, it was always an anxiety that the higher unit costs of reduced print runs would drain away margin before we achieved the extra sales revenue from ebooks, downloads, audio product, website services and the other new outlets."

Lower cost prepress has also created opportunities for different workflows, even in markets such as books. The technology didn't change workflows but according to Mike, "When the way was cleared for a workflow which processed digital files rather than mountains of paper, the immediate beneficiary was the short-run book because the prepress cost shrank dramatically as a percentage of the total investment. When digital presses were introduced, the cycle was complete and as we all know it is now possible to produce even a single copy cost effectively."



# Falling Runlengths, Improving Economics

This drastic reduction in runlength economics is probably the most significant gain, but it's also given publishers and book designers more scope for color and graphics-rich print media projects. Mike explains that "a similar transition occurred with digital graphics. At about the time that DTP and WYSIWYG (What You See Is What You Get) were creating a revolution in the world of text manipulation, pictures were still being sent to 'process houses' for scanning, proofing and film-making and a single colour picture could easily cost £80 in 1980 £s to process into film. Add the extended make-ready and high paper wastage on litho presses of those days and it is clear that short run books with colour pictures were impossible to print economically...it's difficult to remember a day when the editor or author couldn't actually see a picture in place, on the page, in a program he can access on his own computer-but it wasn't that long ago."

#### **New Media**

There has been a downside to digitisation, not least the loss of many traditional graphic arts system suppliers and developers, but for Macmillan "...digital workflows have revolutionised the economics of book publishing at the same time as alternative media have challenged the market, leading to shorter and shorter runs and more frequent reprints. It should be added that computer tracking of workflow has enabled this to be controlled. It would be impossible to manage all these short runs and print on demand orders other than through automated systems between the publisher and printer." Companies supplying this sort of technology include all the big names in graphic arts workflows such as Agfa, Fujifilm, Kodak and Screen. However companies such as Xerox, Creo, EFI, Océ, Canon and Ricoh are all actively building technologies to develop hybrid workflows for offset and digital print, and to support multi-channel production.

For Macmillan, some bits of its business have done better than others. According to Mike, "Palgrave, the academic imprint has been a major beneficiary. All academic

monographs now revert to print on demand printing after the initial publication, facilitating constant supply of even low-selling titles." This is a further reason why commercial printers are seeing new opportunities in the book business, and talking to the workflow system and RIP developers to create the infrastructure to support hybrid output paths.

# **Macmillan New Writing**

One of the most exciting innovations digital technology has made possible is Macmillan's New Writing (MNW) project. Mike Barnard's idea revolutionized the traditional book publishing business, applying the principles of STM publishing to trade publishing. He explains that "MNW was launched in 2006 as a way of discovering new novelists who would go on to have a long-term home with Pan Macmillan's 'mainstream' imprints. It was decided that contracts would be standard and non-negotiable: authors would receive no advance but would earn a 20% royalty on net receipts; rights revenue would be split 50/50. Macmillan would acquire world rights and the option to publish the author's second novel on the same



terms. The imprint continues to operate on these terms, and remains unique amongst major publishers' imprints in encouraging unsolicited submissions—but only as digital submissions: no paper mess."

It's been a resounding success and since 2006, "We have received, to date, more than 11,000 complete novels, of which we have published 36. In the past, mountains of paper would have been involved, but for MNW the workflow from author to finished books is entirely electronic." Mike says that "All MNW titles are now also published in mass market paperback, under the appropriate Pan Macmillan paperback imprint—Pan, Picador or Tor."

MNW novels have been short- and longlisted for several major prizes, including the Orange Prize, the Orange New Writer's Award, the Crime Writer's Association New Blood Dagger, and others. And they have gained considerable attention in the market with titles long-listed for Richard & Judy's Summer Read, short-listed for the World Book Day "Books to Talk About" promotion, and selected as BBC 5 Live's Book of the Week. Mike says that "Rights have sold in sixteen international territories and so far four authors have gone on to sign multi-book deals with Macmillan, with an advance, on conventional terms. More will follow this year."

This is of as much importance to printers planning their futures as it is to publishers. The market for new short run, on demand books is clearly vibrant and it is changing conventional book publishing models. The economics of traditional book publishing is driving a shift to shorter runs: "The 'returns' of MNW books (the copies returned as unsold) are far lower than in conventional fiction publishing because the initial print runs are shorter."

## **Change Means Opportunity**

This market is increasingly accessible to jobbing printers with the right technology. For Macmillan "from magazines through to educational material, multi-channel publishing is now the norm. For e-books and digital downloads, the original digital files can be converted and of course much material can be re-used in digital form on websites, but there is also a lot of new material produced specifically for new media and one of the lessons we are

having to learn is that new media require new publishing and presentational techniques, so staff must acquire new skills and there are new technology companies joining the conventional printer in our mix of suppliers." This opportunity for printers should not be overlooked.

For Macmillan "it's still a tough transition to manage but a combination of the continuing resilience of the hard copy book and the cost-effectiveness of digital technology for both traditional and innovative media is so far keeping our heads above water." TSR

This article was reprinted with permission from Digital Dots, an independent graphic arts research group located in the United Kingdom. Managing Director Laurel Brunner founded the company and once worked for Seybold Seminars. She is a longtime friend and supporter of this Report.

Digital Dots is a collection of like-minded consultants and professional journalists specializing in digital prepress, printing and publishing technologies. It provides exclusive market research, testing and evaluation services for digital production technologies relating to these industries. www.digitaldots.org

If you would like to read more articles and coverage about publishing and printing companies outside the United States, send us an e-mail molly@beard.com.



# Tell Us What You Think!

# **Seybold Interactive Magazine - Questionnaire**

|    | What type of computer do you use?         |                        |                   |             | 7. How would you rate the quality of the writing in the magazine? |                    |                   |          | , |
|----|---|------------------------|-------------------|-------------|---|--------------------|-------------------|----------|---|
|    | Mac                                       | PC                     |                   |             | Excellent   | Good               | Average           | Poor     |   |
| 2. | Do you print an ele<br>Yes                | ectronic version<br>No | n of this newslet | tter?       | 8. What topics would you like see covered in Seybold?             |                    |                   |          |   |
| 3. | What would you like                       | ke to see in fut       | ure editions of S | Seybold?    |   |                    |                   |          | - |
|    |   |                        |                   |             | 9. Do you like the lan<br>Yes                                     | dscape orier<br>No | ntation of the ma | igazine? |   |
| ļ. | What do you think magazine?               | about the leng         | gth of Seybold In | nteractive  | Personal Information  |                    |                   |          |   |
|    | Too long                                  |                        |                   |             | Name:   |                    |                   |          |   |
| 5. | What is your particular area of Interest? |                        |                   |             | Company:  |                    |                   |          |   |
|    |   |                        |                   |             | Position:   |                    |                   |          |   |
|    |   |                        |                   |             | Email:  |                    |                   |          |   |
|    |   |                        |                   |             | Phone:  |                    |                   |          |   |
| 5. | Please tell us the r                      | role in your org       | anization:        |             |   |                    |                   |          |   |
|    | Printer                                   | Sales                  | Marketing         | Programmer  |   |                    |                   |          |   |
|    | Producer                                  | Writer                 | Designer          | Interactive |   |                    |                   |          |   |