

Beyond Cost Per Page: Debunking HVCO Color Printing Myths

by Roberto Nagel, EDP*

Has full-color printing become affordable for high-volume applications?

This article addresses the three myths of digital color printing:

- Digital color printing is expensive
- Digital color printing lacks enough applications to justify the expense
- Digital color printing introduces unforeseeable changes and challenges to the organization, workflow, and operations.

These myths form the greatest obstacles to the acceptance of full color into the arena of high-volume, transaction printing.

The latest generation of full-color digital printers gives the impression that the hardware has reached a high level of reliability--high enough to perform in a 24/7 environment. The users of these machines confirm this. On the software side, a large number of document tools are available, ready to be integrated into automated document workflows. Because of the WYSIWYG design environments of these digital printers, they don't require highly skilled programmers to build the document applications. Simply click and drag.

Another indicator for a mature technology is the evolution of standards; standards are key to protecting investments. Hardware and software vendors have agreed on a standard printer language to drive these machines at rated speed.

*** Roberto Nagel, EDP, is the technical director and consultant with Document Dialog, a multinational company based in The Netherlands. You can contact him at roberto.nagel@documentdialog.nl**

More Than Just Cost Per Page

Despite all this, the talk about full-color in a high-volume computer output environment (HVCO) focuses almost exclusively on the cost per page.

The Document Dialog Output Academy[®] recently organized a seminar with the leading vendors of full-color digital printers and asked the question: “Has full-color printing become affordable for high-volume printing?” All the vendors answered positively. They emphasized that rather than comparing the costs per page, investigators should take a close look at the applications and search for possibilities to add value to the document before sending it to the (color) printer. The added value does not come from the printer alone; it is created by turning the document’s content into relevant information for the recipient by fine-tuning the message to the recipient’s preferences, lifestyle, interests, and so on.

This is where marketing and/or product management come into play. They need to become aware of the technical possibilities and creatively work together with the IT department to achieve this goal.

Adding Value to Standard Documents

The following information is not limited to high-volume color applications. But if we agree that the added value from applications plays a significant role in the ROI-of-color equation, then the following study illustrates a rather simple way to add value to an otherwise very standard document application.

“Can I interest you in our special upgrade offer? I see that you have lot of luggage and your reservation has been made for a rather small car.” Everyone familiar with renting a car will immediately recognize this ploy. The company already has you as a customer; if it lures you into an upgrade, this means additional earnings. Invariably, when the sales rep shows photos of the available models, the small car really looks frighteningly small. I have the strange feeling that this is the result of some very creative image enhancement. Anyway, my personal experience is that while I was occasionally tempted to upgrade, the timing was always bad. I had just arrived, had survived the airport

jungle to find the correct shuttle and my mind was already set on getting to the hotel. Consequently, I never accepted the offer to upgrade.

But what would happen if the upgrade offer came with my reservation confirmation, either as an email or as a printed document? If the offer took my preferences into consideration, I might be interested. Group 1 recently implemented a pilot for such a document enhancement for one of its European customers, a British car rental organization. The objective: Develop a process that would automatically determine the upgrade offer most likely to be accepted and then integrate it into the confirmation document. The first step was to find behavior patterns and to work out a set of conditions that would later help to set up the automated decision process to select the offer relevant to the customer. Group 1 used historic data of about 6,500 online reservations that contained the client's name, address, and date of birth, together with the selected car type and whether the reservation was cancelled. Using Group 1's own DOC1 Marketer product, this data was matched by postal code with commercially available geo-demographic databases from different sources which classified each neighborhood and listed the financial activities, the average household income, and the percentage of home ownership within the neighborhood.

The results did not reveal breathtaking new insight into the secret life of rental car customers, but they helped identify a number of profiles that could be applied to the automated document production process.

The main objective was to show how transactional data, bundled with freely accessible databases, can provide enough information to add value to standard transactional documents. You do not necessarily need CRM systems and CRM data that most European laws forbid us to use, anyway.

German regulations, for example, require telephone call details to be deleted after six weeks. This includes the details section of the archived telephone bills. This eliminates reprints, online display in call centers, and self-service through the web. Consequently, data mining is also eliminated.

Selling The Concept Internally

Let's say that a manager in charge of the document production process of a paper-intensive organization related to finance, insurance, utilities, credit cards, telephony, or a service bureau wants to promote HVCO internally. He or she has just come back from a fantastic vendor presentation or from a trade show, or has just surfed the www.PODI.org website with those impressive case studies for digital color applications. One good first step is to identify and team up with the person in marketing /product management/sales most likely to listen to the story, and take it from there.

A good way to start the discussion is to ask the question "What does it cost us if we don't do it?" By this you imply that there must be some wasted opportunities; there is always a need to improve service and to keep customers happy. Group 1 has published a very valuable white paper called "Wasted Advertising Opportunities" (downloadable from www.g1.com/PDF/WhitePapers/adopp_wp.pdf). It is an attempt to put a figure to the question "How much do you waste by not doing it?" The white paper publishes the results of a recent study carried out by LMR/MarketingUK among a significant sample of UK Top 100 company marketers. The study compares the length of time consumers typically spend looking at the current mix of media: direct mail piece, TV advertisement, SMS message, bill or statement, direct email and customer service letter/update/announcement (customer communication). The results are segmented and evaluated per industry sector (banks, insurance, utilities etc.) and they "indicate the potential strength of the under-utilized media channel of existing customer communication" – i.e. bills, statements, and customer communications. Since the study methodology is published as well, you can apply it to your own situation.

Another valuable source, if you happen to speak German, is DigitalDruckForum (www.digitaldruck-forum.org). It provides a platform for marketers, site managers, designers, and workflow managers to inform, discuss, and promote digital presses. The first full day congress will be held on October 23 in Heidelberg with the theme "Production inspires Creativity."

Adding Color to Traditional Black and White

Adding color printing to an experienced black/white operation is not only a matter of buying a printer and developing application ideas. Color also adds a new dimension to the operation and organization. Think of color schemes, approval, color management, calibration, new hardware with new functions and features, and so on. Do not underestimate this issue but do not be afraid to face it.

Learn from organizations that went through this process, such as TED Gigaprint in Almere, The Netherlands (www.tedgigaprint.nl). They started the service bureau with black and white printers and developed their own web-based POD order and workflow management system (DocuTraffic), which helped turn the Print On Demand Center into one of the largest and most advanced print centers in Europe. With the addition of Xerox DocuColor, the company entered the color arena. They recently installed two Xerox iGen3 engines, the first ones in Europe.

Asked about the changes at TED Gigaprint, Roy Wijmans, technical director, explained: "The biggest challenge was to get a grip on the subject of color. We identified 10 key-operators to follow a traditional color training program held by graphic arts and printing experts. We picked a large number of operators because we are a 24/7 operation and our key-operators take turns handling different type of machines. This helps maintain our flexibility and keeps the work attractive for our employees. Last but not least, we believe that the color segment of our operation will grow significantly very soon." Wijmans points out that digital color printers need more maintenance, which is also handled by the key-operators.

Color management is crucial. At least once a day, the color calibration of the engine must be checked, based on a reference color application. The iGen3 has its own internal climate control but external factors, temperature, humidity, and the condition of the paper have an influence on the quality of the printed color. "Color management with the iGen3 is very straightforward and the engine is remarkably stable," said Wijmans.

TED Gigaprint's business model is based on the Print On Demand concept, which implies that customers handle their own pre-press activities and

hand over the print-ready files for printing and mail finishing. The files are transferred by the web using DocuTraffic, an in-house application. This sounds very easy for black and white, but the color calibration issues demand some attention. For each customer, TED Gigaprint creates and maintains a profile with the settings for the various machines. "Once this has been established, color printing really becomes a matter of drop-and-print," says Wijmans.

Variable data printing is a new field that TED Gigaprint is currently exploring with a number of customers. The challenge for the operation is to get a grip on the rather new issues like data handling, quality assurance for variable print jobs, specifying business logic to drive variable content, and to establish a way to communicate on these subjects with their clients. In addition to the people from the purchasing department, the coordinators of TED Gigaprint find themselves talking to project managers, database managers, programmers, and managers from marketing and communications departments. To educate their clients and prospects, they organize informational and educational sessions in which they explain the possibilities of variable data in connection with digital color printing.

What about costs and benefits? Wijmans explains that they have streamlined their internal processes with their DocuTraffic tool; that makes it possible to establish remarkably low prices. On the other hand, their customers accept higher prices for digital color because the benefits significantly outweigh the costs. Benefits in the POD sector come from time-to-market, flexibility, actuality, and minimized storage costs. In addition, using variable data for personalization results in higher attention and faster response.

Has full-color printing become affordable for high-volume printing? YES!

Summary of the referred web sites:

www.PODI.org

www.g1.com/PDF/WhitePapers/adopp_wp.pdf

www.digitaldruck-forum.org

www.tedgigaprint.nl

www.documentdialog.nl

The article is published in Xploration, The Journal of Electronic Document Systems published by XPLOR www.xplor.org, Fall 2003 Edition