As custom publishing becomes fully integrated into the marketing mix, companies that specialize in offering custom media services continue to evolve, adding new capabilities, new distribution channels and new measurement tools, much like any other segment of marketing communications.

In fact, the whole idea of branded entertainment and branded content that is sweeping the marketing communications field is exactly what custom publishing has been about from the start. “I don’t want to say this is the year of custom publishing,” said Lori Rosen, executive director of the Custom Publishing Council, New York. “It’s more like this is the decade of custom publishing.”

While many media are struggling to show positive increases from one year to the next, spending in custom publishing has been gaining momentum for the past five years. A recent study showed that custom publishing spending by companies has seen double-digit growth for the third straight year, and in 2006 spending per company surpassed the $1 million mark for the first time.

Furthermore, the study from the CPC and the newsletter “Publications Management” found that custom publishing now accounts for 24% of the total money that companies allocate for marketing, advertising and communications. That number is expected to grow. Of the companies surveyed, 99% reported they would increase their custom publishing outlay in 2007; 48% will maintain at the same level; and 13% will cut back. Those anticipating higher custom publishing spending project an increase of 6%.

This research has been conducted annually for seven years via a mailed survey targeting a random sample of 200 companies across all industries.

Much of the growth is coming from the expanding capabilities of custom publishing [continued on page C8].

CMO OUTLOOK
Custom spending on the rise

Two-thirds of America’s CMOs say they are receptive to using custom media in their marketing plans, and some 59% believe that custom media will capture a larger proportion of marketing budgets over the next couple of years. Those are key findings in a new study conducted in late 2006 by Roper Public Affairs/GfR for the Custom Publishing Council.

The study, “CMOs’ Attitudes Toward Custom Media,” is a followup to the 2005 analysis of the general public’s attitudes toward custom publications. In comparing responses in the two studies, it is interesting to note that CMOs underestimate how aware people are of custom publications. In the 2006 study, CMOs said they thought that fewer than 50% of Americans were aware of these kinds of publications, while the 2005 study of consumers indicated that almost 60% were aware.

CMOs do, however, have a good sense of the value consumers feel they get from custom publishing.

“The survey results have been so compelling,” said Michael Winkelman, chairman of CPC and president of Dobbs Ferry, N.Y.-based Leverage Media. “It’s almost as if the results are too good to be true. There’s almost no bad news there. People understand what custom publishing is. They accept it, they like it, they use it, they want it, and the CMO studies said much the same thing. There are some places where we know we need to work, that we need to work on a better instrument for improving ROI. [But] you hear this from almost anybody you talk to in advertising and marketing.”

In the 2006 study, CMOs who have used custom media report spending about 19% of their overall marketing budgets on this form of communication. CMOs from companies with the largest sales revenue (more than $500 million) are most likely to believe that custom media will command a greater proportion of marketing budgets. About four in 10 CMOs (41%) report having shifted marketing funds in the last year away from traditional media and toward custom media.

[AMONG OTHER KEY FINDINGS:]
• CMOs are familiar with custom media and are receptive to including it in their marketing plans. Eight in 10 CMOs are familiar with the term “custom media,” and two-thirds say they are receptive to using custom media in their marketing plans. In fact, 28% say [continued on page C9]
THE CHANGING FACE OF CUSTOM PUBLISHING

CPC Chairman Michael Winkelman discusses the increasing sophistication of custom publications—and the new areas they’re exploring

When we asked the CMOs what types of media they were testing, you saw the expected ones. The large numbers were doing electronic versions of the magazines, and they were doing e-mail newsletters. Very few were doing stuff like blogs or sponsored podcasts or sponsored text messaging or that sort of thing.

AA: Is that a similar pattern as in the general media? Magazines, for example, have expanded into some of those areas.

Mr. Winkelman: Yes, but the difference is that while our publications may look and feel and act and smell like magazines, and take on the architecture of magazines, we exist in a different realm. We’re marketing pieces. We’re different from a brochure-type of marketing piece because we have a different purpose and a different reason for being, and we approach our audience differently.

We don’t exist the same way as conventional magazines. A fair number of custom publications do have ad sales as a key component of their revenue streams, but most don’t. Most custom publishers, if asked by their clients whether they can sell ads will say, ‘We can try,’ and you might be able to defray some of the costs, but I wouldn’t rely on it.

My point is that it’s a different medium. So yes, there are some similarities in that magazines are doing web versions and different content on the web and going deeper in ways that play to their strength. But custom media probably has a wider array of tools that it can work through because it’s sponsored and because it’s part of an integrated marketing plan.

AA: Are clients’ needs changing?

Mr. Winkelman: Clients are getting more demanding. They’ve seen more and more excellent custom publications. So they expect the writing to be better, the editing to be better, the packaging to be better, the art to be better. They expect more sophisticated distribution systems than before.

There’s also a growing concern about return on investment, particularly when you talk about print vs. other media because print is more expensive as opposed to bits and bytes. They want to make sure that they’re getting a good return. The CPC has been working on developing instruments to figure out how we prove ROI better. That’s become more and more key.

I think—and this is anecdotal—that there are more RFPs going within custom publishing than there used to be because there are so many more custom publishers. It’s provided more options for those companies that want to outsource their custom publishing, and they’re more likely to put it out for bid.

That’s good and bad. Personally, I would always prefer to have somebody call me and say, ‘OK, we know you’re the guys we want to use,’ as opposed to having to develop a proposal and compete with a bunch of other people. But on the other hand it probably is good for the industry as a whole to be recognized that way.

AA: With the growth of digital applications, is it inaccurate to use the term “publishing” to describe the industry as a whole?

Mr. Winkelman: I don’t think we’ve figured that out. We’ve thought about other names—custom media instead of custom publishing, custom content because content distinguishes this form of marketing from a lot of other forms of marketing. There are some arguments being made for the idea [continued on page C9]
Share of market is temporary.
Share of heart is forever.

True brand preference is truly an affair of the heart. And creating multi-platform custom communications programs that connect with your customers, heart to heart, is what Rodale Custom Publishing is uniquely equipped to do. For more than 60 years, Rodale has been the leader in providing information and inspiration that enable consumers to lead fuller, more active lives. Today, Rodale leverages this proven ability to create custom branded content that reflects consumers’ innermost needs and most passionate pursuits. From high-impact magazines to highly targeted e-newsletters, Rodale Custom Publishing brings your brand to life. To win share of market, start by winning share of heart. With Rodale Custom Publishing.
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Redwood creates innovative branded content that is strategically grounded, creatively excellent and works hard regardless of the channel. We make the leap worthwhile. Find out how Redwood has helped companies such as Kraft Foods, Sears, Mazda, RBC Royal Bank, Land Rover, BASF, The Home Depot, Volvo, CAA and LendingTree.com think ahead, visit www.redwoodcc.com or email joseph.barbieri@redwoodcc.com

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BRANDED CONTENT 2.0

Redwood CEO Eric Schneider talks about media ownership and how a brand can be a consumer's best friend

In a marketplace saturated with advertising, the line between branded content and traditional media is blurring. New technology has allowed brands to redefine their relationships with consumers, and more and more marketers are taking advantage of this opportunity—producing content for media they own themselves.

In a recent conversation, Eric Schneider, CEO of Redwood Custom Communications, discussed what media ownership means to brands and what these custom products mean for media in general. Redwood, the North American arm of leading U.K. custom publisher Redwood International, has offices in New York, Toronto and Chicago. It has worked with some of the U.S.’ best-known brands—including General Motors, JCPenny, The Home Depot, Kraft Foods, RBC Royal Bank and Sears—to help them boost sales, build loyalty, change brand perception and increase market perception.

Q: How can a brand benefit from owning media channels?
Eric Schneider: In today’s world of permission marketing, marketers have an opportunity to understand their customers—and prospective customers—in fairly detailed ways. Marketers can segment their customer files. And they can talk to each segment in a relevant, contextual manner. Basically, they can direct a particular medium specifically at those they want to reach.

Q: A marketer’s dream?
Mr. Schneider: Exactly. Obviously, your message is a lot less diluted when you control the medium. There’s a lot less clutter around it.

Q: What types of media lend themselves to brand ownership?
Mr. Schneider: The traditional magazine medium, websites, e-newsletters, satellite radio—all are easily appropriated and easily controlled. And they all present an opportunity for brands to create their own media space. Technology is allowing brands to establish this in cost-efficient ways.

Q: What challenges do these brands face?
Mr. Schneider: The same challenges faced by the traditional media. A lot of the players are concerned with maintaining integrity. Their product must contain a value proposition to the reader: a solution or entertainment.

Q: What about the challenge of competing with a non-branded product, one that might be considered unbiased?
Mr. Schneider: Well, you’ve got to be overt with the branding, not subliminal. Consumers will appreciate it for what it is. Consumers still have a need for an unbiased point of view—for example, critical journalism. But they don’t have a problem going to Nike’s website for information.

Q: How does the rise of branded content affect traditional media?
Mr. Schneider: We’re seeing a degree of certainty in traditional media. We’ve seen a decline of ad revenue. What it means is this: Those media that have survived on the basis of ad revenue while producing subpar content have troubled days ahead. At the same time, those with a true connection to an audience probably have an opportunity to charge consumers a premium for their content because it is desirable and sought-after.

Q: Do you see brands’ responsibilities changing in this new landscape?
Mr. Schneider: Absolutely. In a world of consumer-generated content that isn’t well-regulated, there’s no way to test the integrity or accuracy of the available information. Brands can be icons of trust. At the same time, brands are being forced to be more transparent and honest. False testimony on the part of a brand will get slaughtered in full public view.

Q: We’ve touched on branded vs. traditional media, but how do branded media compare with traditional advertising?
Mr. Schneider: You’re looking at a customer life cycle over a broader time line, which gives you the opportunity to connect with and inspire consumers—and the chance to turn that exchange into a relationship with a brand. Unlike traditional advertising, it’s founded on some form of provision: entertainment, information, etc. It’s more than just advertising copy.

Q: Where does that leave advertising copy?
Mr. Schneider: Traditional ads can work in harmony as an important part of the overall mix where interruption is required—sometimes even to get someone into a permission relationship. The difference is the realization that consumers don’t come to a purchase decision immediately. It’s a journey.

Q: So are major brands relying less on conventional advertising?
Mr. Schneider: Definitely. Brands are mixing it up more than ever. Any time a communication strategy involves either unique customers or customer segments that are at various stages of a purchase/customer life cycle, you have to go direct. Conventional advertising becomes inefficient.

In these circumstances, the communication needs to be an overt reflection of the brand. It needs to be of value to the intended audience and specifically directed at that segment. That can only be achieved through brand-owned and controlled media. Using any other format will dilute the presence of the brand and certainly be less efficient from a targeting perspective.
REAL RETURNS
In a world of media noise, how can you make certain your message is getting through? By Chris Schraft

Marketers today have more—and faster—ways to reach customers than ever before. But a fragmented media landscape also means greater challenges than ever before when it comes to making yourself heard above the din and establishing meaningful customer relationships. Forming a connection with valued customers requires using the right levers to drive behavior and enhance trust and satisfaction, and then using the most sophisticated and accurate metrics available to ensure a return on your investment. Of course, the desire for loyal customers and rewarding, long-term relationships is as old as business itself. What is new is the imperative that every marketing campaign works strategically and directly toward advancing long-term and profitable customer relationships and customer loyalty. A custom publishing solution that merely promotes brand identity is at best a partial solution.

Yes, brand identity is crucial. But at a time when customers have thousands of websites, hundreds of TV channels, dozens of magazines, mailings and competing offers at their fingertips, the prize is not just having them know your name; it’s having them choose to engage with you.

RESULTS, PLEASE
In such a fragmented environment, it’s no longer viable simply to create a marketing campaign, deploy it and hope for a response. Companies are rightfully demanding ever more accurate data to ensure that their marketing dollars are having the desired impact. At the fall 2006 Direct Marketing Association convention, Ford’s Ara Dan spoke to this point. “We have an eight-figure budget for direct marketing. To maintain that budget, we’ve got to be able to prove positive return on investment, as measured through increases in sales and service revenue.” Even so, many marketers remain uncertain just what impact their campaigns are having. A recent study by Forrester Research and Unica showed that up to 65% of marketers still see results as difficult or impossible to measure.

Those on the cutting edge of custom publishing are responding to the challenge with carefully crafted approaches merging several of the hottest trends in marketing—multiplatform content, customer engagement, measurable return on investment and a focus not just on whether customers respond to a specific campaign, but whether the campaign is delivering value to the company’s underlying business goals.

GETTING TO KNOW YOU
The process starts not with telling customers what they want or need, but by understanding more about them and their individual preferences and desires. Relationships and loyalty (the heart of CRM and CLM) depend on such understanding. Yet a 2006 IBM study showed that just 21% of companies have an advanced understanding of their customers, compared with 53% that understand their customers in a general way and 26% with little or no understanding.

Two customers who buy from the same manufacturer may be worlds apart. A contractor who relies on Ford trucks to haul plumbing fixtures is not the same customer as a real estate executive who travels to sales meetings in a luxury sedan. So when Ford decided to work with Time Inc. Content Solutions on a custom publishing platform, including a high-quality magazine called MyFord, versioning and personalization became a key consideration. MyFord was designed on a modular platform with the ability to send versions based on vehicle segment, customer age, whether the customer leased or purchased, and whether they preferred to be reached in English or Spanish.

The result is a magazine that captures an average of 25 minutes of readers’ time, according to follow-up studies. This provides a built-in audience of some 6 million Ford owners to unveil exciting new products, such as the 2007 Ford Edge crossover vehicle. Meanwhile, controlled offers and tracked web traffic on the magazine’s sibling site allow Ford to know how many owners bought new vehicles, services, requested information on Ford products or took other actions based on seeing MyFord. Ms. Dan said, “We’re getting clear, measurable results showing that 62% of owners who receive the magazine will take some form of positive action.”

Once a company has gained customers, the challenge shifts to how to retain them. In the past, many companies have relied on direct mail campaigns—often with disappointing results. “Direct mail, by itself, was ineffective and inefficient for retention,” a marketing executive for a large communications company said. “And there was only a limited ability to enhance our CRM efforts.” For this company and others, the answer lay in a multiplatform approach using not just direct mail, but bill inserts and newsletters, targeted e-mails and, as an anchor, an attractive, high-quality magazine offering product features and lifestyle articles. The beauty of multiplatforms is that each can do what it does best.

Targeted custom publishing approaches, with measurable results, perform a vital service not just to marketers but to customers. Because the fact is they’re as overwhelmed by the profusion of choices as everyone else, and they long for loyal relationships. According to one recent study, 79% of customers will commit to a deeper relationship with a company or brand after a satisfying experience. When carefully structured marketing moves that process along, it’s more than just the beginning of a beautiful friendship. It’s the dawn of a new era in custom publishing.
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It all starts with the power to engage. In a world overcrowded with messages, we’re the trusted source to help you break through the noise and make an emotional connection with your customers.

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CONTENT SOLUTIONS

The leader in customized marketing solutions that deliver measurable ROI.
In fact, the whole idea of branded content that is sweeping the marketing communications field is exactly what custom publishing has been about from the start. “I don’t want to say this is the year of custom publishing,” said Lori Rosen, executive director of the Custom Publishing Council, New York. “It’s more like this is the decade of custom publishing.”

Companies, especially into new areas of distribution, such as digital formats, to meet the growing demands of marketers. “We are well into the digital age, and the web has become the new normal,” says Ben Johnson, director, AAP Custom, Fort Worth, Texas. “As publishers must be able to create and deliver marketing tactics that identify and gain the attention of our clients’ customers in numerous formats. It is no longer just ink on paper, although that will always be our passion.” Clients are far more attuned to their customers’ media or channel preferences than before, says Eric Schneider, president-COO, Redwood Custom Communications, Toronto. Digital capabilities bring together the best of both worlds. “Digital communications combine traditional magazine features of relevance and engagement with the newest Web 2.0 applications, intuitive customer interfaces and direct marketing advantages,” adds Chris Schraf, president, Time Inc. Content Solutions, New York. He noted that digital delivery makes the long-held vision of one-to-one marketing more achievable and feasible than ever.

And the industry is exploring a whole variety of formats, everything from online to mobile to CD/DVD. “Webcasting, email marketing, e-mail newsletters, e-magazines and website versions of our print magazines, offering additional content and database-building functionality, are all becoming part of the standard offerings,” Mr. Johnson says.

**Engagement**

Engagement is another hot button that is driving growth, says Diana Pohly, president-COO, Pohly Co., Boston. “The marketing world really is beginning to get that engagement marketing is actually possible” and is moving away from traditional broad-based promotions, she says.

While some may debate whether “engagement marketing” is just a buzzword, “I am a true believer [in the idea] that providing content or services of value is an intrinsic part of quality customer-relationship management,” Ms. Pohly says, adding that now that consumers can reject or accept any message at any time, engagement becomes critical.

In addition to new formats, integration of all elements and measurement are other issues the industry is tackling. Mr. Schneider says his experience with clients is that they want coordinated efforts of print, video and online. A consumer reads the magazine, sees a great recipe, goes online to see how it’s made and there sees a sign-up for an e-mail offering of recipes on a weekly basis, he says.

“Surrounding the consumer through multiple touch points with a consistent message is what marketers are looking for today,” says Valerie P. Valente, VP-publishing director, Rodale Custom Publishing, New York. “Integration is the biggest trend in consumer marketing, and it is no different for the custom publishing category.”

Craig Waller, chief marketing and sales officer, Pace Communications, Greensboro, N.C., says that it’s not a very hard sell anymore to talk to marketing companies about custom publishing. That’s because they are all talking about storytelling and engaging people through editorial content since they know that short ads just aren’t working like they used to, he says.

Adds Ms. Pohly, “On a very general basis, there is increasing interest in the idea of branded content and long-term marketing from both agencies and corporate marketers. While the labels may be a little new, the execution, in my opinion, has been around for a long time.”

Mr. Waller says that the realization that short ads just aren’t working plays right into the hands of custom publishing and into “what we do, which is engage people through editorial content: How can I talk to my customers? How can I make them more loyal? How can I make them buy more stuff without appearing to sell them too hard and turn them off?”

Mr. Waller says that the conversation gets a bit tougher when the discussion turns to how do I know it’s working? Like other segments, custom publishing is developing tools to measure results and come up with a good way to show ROI.

**ROI Models**

He says the CPC is helping members produce ROI models. The difficulty, he says, is that every client has a different set of objectives and requirements. “For some, it’s advertising revenue at one extreme, which is not traditional marketing ROI. At the other end of the scale, it’s improved perception of the brand, which is about as wooly as you can get, and everything in between from does it make my customers buy more stuff, which is very measurable, to does it make them more loyal? That’s measurable in terms of how often they come back. The truth is for each client you have to develop a different ROI model,” he says.

Noelle Wojciechowski, custom publishing director, Nick Magazine Group, New York, agrees. “Marketers, more than ever, are concerned with measurement and engagement. It is essential to quantify results based on clearly articulated objectives. Objectives lead to strategy, which leads to execution, which leads to measurement,” she says.

A key factor in getting a good return, marketers have learned, is related to how closely the custom vehicles are identified with the brand. “The importance of brand recognition can’t be overstated,” says Raymond DeMoss, president, K1 Lipton, Horsham, Pa. “Every custom publisher has to examine closely how their custom publications influence brand identity as well as purchase and loyalty. We continually emphasize that careful synergy between the content of custom publications and the messages of all other marketing communications pays huge dividends.”

Says Bryan Welch, publisher, Ogden Publications, Topoka, Kan., “Building name recognition for a product or service continues to be a critical function for any organization, but establishing a three-dimensional identity for the product and [for] the company behind the product are increasingly important functions. Through a custom-published marketing tool, the company can deliver its message more effectively, in more detail, with more control.”

Companies also recognize that they must have the right balance in offering value to the consumer and ROI for the sponsor. “A great magazine that is well read but does not result in any kind of shift in behavior is not successful; at the same time, a publication, or video content or interactive that is incredibly, overly branded and designed to drive call to action that doesn’t have enough sufficient value proposition to the consumer and therefore is not read is equally unsuccessful,” says Mr. Schneider. “So ultimately, the whole notion of branding is that it has to be sufficiently, overly branded and in the context of the sponsored brand’s business that it imparts business, bonds consumers to the brand and gets them to act in a desired manner. At the same time, it’s got to have some value proposition for the consumer, either because it provides solutions or is entertaining or informative in a manner different from traditional advertising.”

Custom publishing is offering new solutions to today’s more complex marketing challenges. Says Mr. Schraf, “Today, businesses are faced with broad commoditization, an oversupply of products and services in every category and pricing pressure. It’s no longer a sustainable strategy to invest in acquiring new customers without a focus on retention and customer lifetime value. Leading organizations are adopting a new marketing imperative focused on creating and sustaining long-term, profitable customer relationships. Today’s innovative content platforms have empirical proven themselves to be effective in this endeavor.”
CMO OUTLOOK (continued from page C1)

they are very receptive and 39% say they are somewhat receptive.

• CMOs value custom publications. Almost three-quarters (72%) of the CMOs interviewed said they see value in the service provided by custom publications, including 11% who said they are "very valuable."

• CMOs see custom publications as strengthening bonds with consumers. Seven in 10 CMOs believe that custom publications have a positive effect on people's attitudes, leaving them feeling more favorable toward the sponsoring company. This finding is supported by a recent study, which found that people who receive custom publications rate the companies that provide them more positively across four key measures: satisfaction with the company's product, likelihood of recommending the company to others, feeling like the company cares about its customers and likelihood of buying from the company again. In the 2006 study, eight in 10 CMOs (79%) said they believe that people who receive custom publications will be more likely to buy from the sponsoring company again.

• CMOs understand that custom publications are seen as a source of useful information by consumers. CMOs are on target in estimating the percentage of Americans who report finding useful information in custom publications, with CMOs saying 78% vs. consumers' 79%. The two groups are also close in terms of assessing the extent to which consumers prefer to get information from a company in a collection of articles rather than in an ad (85% of the public said this, while CMOs predicted that 80% would hold this view). CMOs also generally understand that most consumers feel they are savvy enough to know that the underlying reason companies provide custom publications is to sell more products, but they like getting them anyway (93% vs. 85%).

There were also some areas where CMOs express concerns:

• CMOs want metrics that show ROI. This is the biggest concern CMOs have in regard to the use of custom media. In fact, almost nine in 10 respondents (89%) said they would use custom media more if there were a good way to measure ROI. While most CMOs recognize that ROI is difficult to measure, many said they want tools or strategies to be developed for measuring ROI.

• CMOs have concerns about format and cost. They believe that many custom publishing providers are still thinking mainly about print rather than recognizing the potential for integrated marketing across platforms, and two-thirds of respondents are concerned about costs, saying they would use custom media more if it were less expensive.

Conducted in late 2006, the study is based on live telephone surveys with 100 CMOs randomly selected from a list of senior marketing executives. The CMOs came from medium and large companies, defined as enterprises with revenue of $50 million to more than $500 million in a variety of 19 industry sectors that CPC members serve.

A PERFECT FIT

Partnering for custom program success: It starts with the RFP

By Marcie Lynn Avram

The search for the right custom publishing partner—the best fit of two companies partnered on one ultimate goal—often leads to that most ubiquitous of documents, the RFP.

Here are a few guidelines to make sure your Request for Proposal process identifies the right partner to meet your business and marketing needs.

Think through and be specific about the kind of partnership you want. Are you seeking a true turnkey partner, an extension of your own marketing department? Or are you really looking for one or more component parts, such as creative/content development or database segmentation? Be as specific as you can about the scope of work, internal bandwidth and resources, objectives and time frames to determine the kind of program and partner you need; and, just as important, identify the internal resources you will need to manage the project.

Be both clear and precise about your marketing objectives. Potential partners need more than "grow repeat business" or "increase loyalty by 10%." Be as detailed as you can about your objectives and success metrics. Provide in-depth background information—the business situation, the state of the brand, other marketing channels and programs in play, your database. Share enough of your proprietary research to give the partners a vivid picture of your customers and their current (desired) relationship with you. And don’t hide any bad news. On a related note:

Go beyond the numbers to articulate your vision. Share your corporate and brand vision with your prospective partners. They genuinely need to know your business—from the big picture to the details—and what you want to accomplish both short- and long-term.

Emphasize strategy development. Your ideal partner should be able to work with you to craft high-level strategies for your relationship and engagement marketing programs. What are their strategic development processes? How do they leverage secondary resources and primary research? How proficient are they as strategic "ideators"? Is it clear that they get your brand and know how to activate your customer relationships?

Rank your decision factors in terms of priority of importance. Creativity, Strategy, Depth of relevant resources, Track record, Culture and chemistry, Proactivity. The everyday team, Price. You will get the best partner if you are able to identify and weight the most important decision-drivers. And be candid. If the lowest bid matters most, say so. That will curtail any time on "too expensive" program development. If strategy and brand-development thinking are at the top of your list, let your prospective partners know that so they can reflect it in their presentations to you.

If you are looking to launch with a segmentation strategy, describe the value of your customers—the best as well as the average. Provide guidance on a spending range "per customer." This will force you to make serious decisions about the benefits level for each important or not-so-important customer segment. And it will enable respondents to develop programs accordingly.

Don’t dictate every tactic. Tactics evolve from the strategies. Provide guidance but only as direction. Let your potential partners supply the details.

Finally, ask for questions. And share all the questions—and answers—with all contenders. Your goal is to select the best program partner. Giving yourself the ability to compare apples to apples will help get you there.

MICHAEL WINKLEMAN (continued from page C2)

that publishing is not just print, that things published electronically are publishing as well.

Some people think that the connotation of publishing is that it is strictly print and that it’s hard to convince people otherwise. There’s lots of vernacular that has changed over the years, and this might just be one of them. But we’re still wrestling with that.

Mr. Winkleman: It’s hard to do. The CPC has grown in the last five years to something like 90 members today. We’ve established an awards program that has become tremendously successful; we’ve done research that’s been very successful for us; and we’ve been running some courses with the publishing program at New York University.

We promote the notion of custom publishing in general, and roughly 70% of custom publishing is done in-house. We would like to see that reversed. At what point in this evolution do we think about changing our name and how critical is it? Is publishing so outmoded and so reflective of what our members do that we should change the name? What should we change it to?

So I think it’s not an immediate decision; the association is doing well and riding high. We’ve got a pretty diverse group of members [in terms of size and capabilities]. It’s not so much that we’re trying to be all things to all people, but we want to make sure that we’re reflecting all types of custom content.

At some point we’ll figure out what that other name should be, and we’ll change it. But I don’t see it as being tremendously imminent. More than the nomenclature, what’s critical is that we are looking to see what media we are operating in. As long as we are representing the emerging array of media that custom publishers provide content for, the name of the association is secondary.
MARKETERS ON CUSTOM MEDIA
What do companies get out of custom publishing? We asked three marketers whose custom work won honors in the Custom Publishing Council’s recent Pearl Awards why they decided to try custom and what it has done for their brands

SANDY BLANCHARD
LEXUS-OWNER EXPERIENCE MANAGER
LEXUS DIVISION
Publication: Lexus Magazine
Frequency: Quarterly
Audience: Lexus owners
Circulation: 1.1 million worldwide
Publishing company: Story Worldwide

Lexus Magazine launched in the U.S. five years ago as a loyalty tool for the brand as well as the first-ever global marketing initiative by Lexus. The objective of the magazine is to bring the brand to life by telling its story in ways that both excite the senses and provide unexpected and entertaining experiences for Lexus owners. From its initial beginnings exploring understated luxury, the content has evolved to a bolder, more confident style—recognizing both the trust that Lexus owners place in the brand as well as the evolution of innovation and styling of Lexus vehicles themselves.

Lexus Magazine has proven to be one of the most effective and successful expressions of the Lexus brand to date. All our research indicates that Lexus Magazine achieves extremely high readership levels and brand resonance, not just in North America but all over the world. One of the reasons we chose to partner with Story Worldwide was because of their proven ability to deliver origin-visible content of the highest quality, anywhere in the world. This was evident through their experience with Lexus Magazine in Europe. Lexus in Europe began publishing Lexus Magazine in 1996. Story became the publisher in summer 2000, and we joined in 2002.

It’s a true global publication in the sense that the European version is printed and distributed throughout Europe in 50 countries and nine languages and has a circulation of 138,000 per issue. The North American version is printed and distributed in the U.S. with a circulation of 800,000 per issue. In Canada, 165,000 copies per year are also distributed. The magazine is made up of global content (40%) and regional content (approximately 40%) and, in some European countries, local content. The global magazine program has also been joined in the last year by Australia, China and Japan.

ROD DEVAR
MANAGER, ADVERTISING AND PROMOTION
U.S. POSTAL SERVICE
Publication: Deliver
Frequency: Bimonthly
Audience: Primary, spenders of $5 million or more annually in advertising communications; secondary, advertising agency executives
Circulation: 350,000
Publishing company: CE Publishing

Prior to Deliver, direct mail was a subject defined by others. Its brand personality depended on who you were talking to—it ranged from stodgy, old media to something highly technical that allowed careful calculations of ROI. The U.S. Postal Service was not terribly active talking to advertisers about what we thought direct mail was, what it could do for them. Direct mail was doing quite well but not really attracting above-the-line spending.

We came to the conclusion that if we were going to attract that spending, we had to change the game a bit. We needed some vehicle to get our brand positioned out.

Our agency of record, Campbell-Ewald, suggested a magazine would be the way to do it. They came up with concepts we liked, and [once Deliver was launched] we were very pleasantly surprised that a buzz began to build around the magazine almost immediately.

The way the content is put together—including stories about advertisers using mail as part of their integrated communications programs and new technologies affecting direct mail—readers learn a lot about how mail can support their communications efforts. It doesn’t feel like we’re selling. People know Deliver is from us, but it feels like a real magazine. Our sales force is probably our biggest champion; they say they’ve never had a piece of sales collateral that works as well as this magazine.

I’m a big fan of custom publishing. I didn’t know I would be until we got into it. The guys at Campbell-Ewald [i.e., CE Publishing] really get it. They stay true to the brand personality and make it easy on the client. Every issue, I think about how little I had to do for it and how much Campbell-Ewald did. And issues keep getting better.

In February we’re launching a web version of Deliver with the same brand personality, some of the same stories and some stories unique to the website. We want to see if we can create a community around the subject of direct mail. With the web, people can start talking to each other and putting ideas on the table. All the things the web gives you want to bring to life around the Deliver brand.