

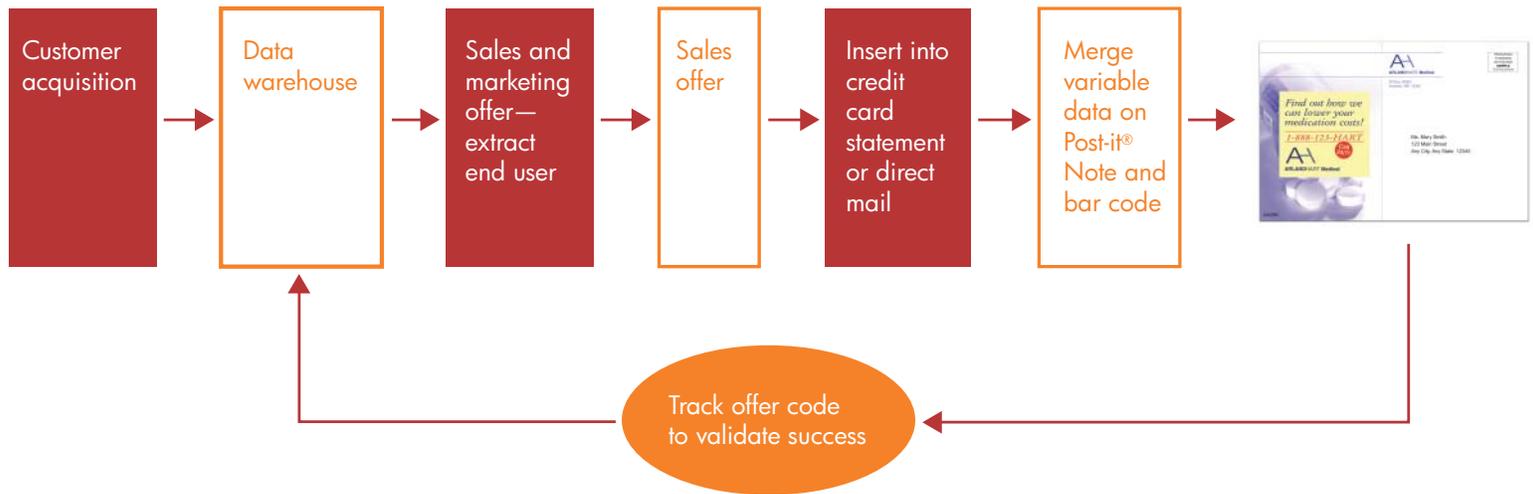
# Repositioned for success



Who can ignore a sticky note? These friendly little attention-getters, placed on envelopes and sent via the mail, deliver a marketing message that outlasts the marketing campaign.

The note will stay with you long after the trash has been taken.





In one company's test comparing an offer in an envelope with an RPN to one in a plain envelope, the letter with the RPN resulted in response rates 60 percent higher than the one in the plain envelope.

Whether you call it a Post-it® Note, a sticky note or the generic "repositionable note," that little flap of yellow paper commands attention. It's like a signal flashing "IMPORTANT!" and there's a good chance you'll save it and remember it.

Combine it with direct mail and you have a powerful marketing pitch. The power of direct mail is that it gets into the customer's hands. The Post Office is reliable, and you can't hang up on, block or delete the day's delivery. The power of the repositionable note, or RPN, is that it gets noticed, removed, saved and used. It can deliver a marketing message that outlasts the marketing campaign.

"We like to say the note will stay with you long after the trash has been taken," says Ken St. John, president of ASMARC, the company that developed the ACCUFast NoteSystem® machine to apply RPNs and print messages on them at the same time.

Marketers have long been using RPNs inside the envelope, on catalog pages and letters, for example. In April 2003 the U.S. Postal Service announced that RPNs would now be permitted to go through the mail on the outside of envelopes or on postcards. This gave direct marketers another way—beyond color, graphics, logos and personalization—to add spark to envelopes and boost response rates. In a yearlong pilot program, the USPS reported, RPNs improved response rates as much as 45 percent.

Massachusetts-based Fidelity Independent Adviser Newsletter saw even higher returns in its own pilot test. In November 2003 the company mailed 5,000 letters in plain bulk-mail envelopes and another 5,000 in bulk-mail envelopes tagged with RPNs. The RPN called attention to a special subscription offer. The letter in the envelope with the RPN resulted in response rates 60 percent higher than the letter in the plain envelope, says Sven Lang, chief operating officer.

In Connecticut, inc.jet Inc., a company of Hewlett-Packard partner Gunther International, tried an RPN on a postcard. The cards were mailed in October 2003 to promote HP Versatile Black Cartridges. The attached RPN featured the company's logo and a free-shipping offer for a customer's first order. The mailing brought in about 70 new customers and, three months after the promotion ended, the Post-it Note was still generating calls. "That speaks to its longevity," says Gary Schaefer, director of marketing for inc.jet Inc.

## A promising trial run

ASMARC has taken the lead in making it efficient to print and mail RPNs. Its NoteSystem was used by Fidelity Independent Adviser Newsletter for its mailing. The NoteSystem, featuring HP thermal inkjet technology, combines a heavy-duty labeling machine with an inkjet addresser.

"We run the notes [on rolls] through our labeling machine, and we can print an address, bar code, indicia or whatever you want on the envelope and print the Post-it Note at the same time, all in one pass," St. John says.

ASMARC introduced the NoteSystem at the National Postal Forum in New Orleans in April 2003, where the USPS formally launched RPNs. It was a partner with the USPS in a pilot test to make sure that RPNs could go through the mail without derailing the system. The other partner was 3M, the manufacturer of Post-it Notes, the most familiar brand of RPNs.

The USPS issued stringent guidelines as to the size and placement of RPNs, and 3M designed rolls of notes to those specifications. The NoteSystem easily and accurately handles 12-inch rolls of RPNs. Using HP's Versatile Black and spot color inks, it can print and then adhere customized and personalized notes in-line with an addresser at rates of 11,000 to 12,000 pieces per hour. The machine positions the notes according to postal

specifications on the lower left corner of the envelope. The modular machine can be configured to the job at hand, giving mail printers a flexible production system that costs less than many stand-alone inkjet printers.

The postal service tested RPNs with 35 companies that mailed 5.8 million pieces in 49 separate mailings from all over the country. Ninety-five percent of the pieces survived the mail-handling process with the notes intact.

The most effective use for RPNs is to print a message the customer is likely to want to remove and save, such as the dates of a sale, a toll-free phone number, a coupon or other practical information.

The test demonstrated that RPNs add impact to direct mail. Because they convey importance, they increase opening rates. By increasing opening rates, they heighten the chance the inside message is read. When the message is read, response rates improve.

The test concluded that:

- RPNs are simple to use.
- RPNs stick to the mail without gumming up the postal service's processing machines.
- RPNs elicit greater response rates if you put something of value on them that will capture someone's attention.

What captures attention? The most effective use for RPNs is to print a message the customer is likely to want to remove and save, such as the dates of a sale, a toll-free phone number, a coupon or other practical information.

Getting attention, St. John says, is the most basic way to use RPNs well. Others are to get *someone's* attention (personalizing the note with a person's name), to give someone something to do (a call to action), to make an offer they can't refuse or to track the offer (a dedicated phone number or bar-coded offer).

## Collaboration: The mother of invention

The development of RPNs exemplifies remarkable public-private collaboration. It started with a direct mail advertiser in Portland, Oregon, who in 1999 dreamed up the idea of placing Post-it Notes on envelopes. He hoped the postal service could persuade mail carriers to stick them on by hand, but the cost to the advertiser would have been prohibitive.

The idea, however, intrigued the USPS and 3M, which teamed up to find a solution. As Postmaster General John

E. Potter told the Direct Marketing Association, RPNs would "give direct mailers more flexibility to design ... high-impact mail pieces."

One of the USPS's criteria was that the notes had to be "machinable." That is, they couldn't jam the postal service's machines and had to function smoothly in the automated process direct marketers use to lower their postage rates. 3M perfected rolls of Post-it Notes that did just that without requiring extra postage. 3M also conducted its own test, mailing 10,000 envelopes with Post-it Notes attached. Nearly all (99.75 percent) came back with the notes intact.

The note's secure attachment starts with the ACCUFAST labeler and printer—the first in a sequence of machines through which the envelope must safely pass. HP's seamless, non-contact inkjet process prints the note without disturbing it. "Under HP inkjet printheads, you can print everything at the same time—the mailing address, return address and the Post-it Note in-line with the address," says Jeff Norton, sales development manager for HP.

Now that the test is over, other vendors besides 3M sell the notes, and they come in colors besides yellow. Vendors must be approved by the USPS, however, to make sure the requirements are met.

## Connecting with customers

Why do RPNs work? In part because 3M has spent millions of dollars convincing consumers that yellow sticky notes represent something of value.

Still, while RPNs are clearly a valuable addition to the direct marketing toolkit, most marketers use them in the old-fashioned way—to make the same offer to many people.

But what if the RPN and its improved response rate were not the end of this story? What if it could help a marketer capture an individual customer's interests and buying habits so that future marketing efforts could be targeted to an individual? What if the note was not part of a mass offering but a critical link in a true one-to-one marketing cycle?

"That's the final frontier," St. John says.

The secret is that, as St. John says, "direct mail can be tracked." While the NoteSystem can print both static messages and variable data on RPNs, the real potential lies in the variable data. St. John envisions using the RPN to convey a redeemable coupon. The variable data would include a visible or invisible bar code containing information about the recipient—name, address and available demographic information, such as age.

When the customer redeemed the coupon, the bar code would validate the offer with that particular customer. At point of sale, the information about the customer

The real potential of RPNs lies in the variable data they can carry. For example, a bar code on a redeemable coupon could be used to track a customer's purchase, creating a data file about the customer and enabling true one-to-one marketing.

A repositionable note gets noticed, removed, saved and used.



The real potential with RPN marketing lies in variable data printing and tracking.

could be captured and fed into a customer relationship management database, linking the customer with the purchase, indicating his or her interest in the product offering.

The company now knows something about the customer. The next time the company sends an offer, it can mine the database to create an RPN targeting individuals who have shown interest in specific types of products. That, St. John says, would represent true one-to-one marketing.

Here's an example: A retailer buys a mailing list of everybody in a certain area over age 25. The retailer mails an offer for a 10 percent discount on any product in the store, placing the offer and an invisible customer bar code on an RPN attached to the envelope. A customer removes and saves the RPN and 10 days later takes it to the retailer. Finding a bracelet he'd like to buy, he redeems the coupon and receives the discount. The next customer in line uses the offer to buy motor oil. These purchases chalk up a success for the RPN as a marketing vehicle. The bar code is scanned at the point of redemption, creating a data file about each customer. The completed purchase is also scanned, linking the customer's data file with the product.

"Now that person has gone from being a 'suspect' in the marketing world to a customer," St. John says. "You've tracked that person." The next mailing

individualizes and refines the offer based on the previous purchase. "The company gets a bang for its ad dollar, not a pop," St. John says.

St. John's vision shows the unlimited potential of RPNs to generate creative ideas. Meanwhile, by simply getting attention, the notes are helping companies make sales the old-fashioned way—through direct mail.

"The beauty of this system," St. John says, "is that the breakthrough comes about by using existing technology in new and creative ways."

For more information, please contact:

Hewlett-Packard Company  
Specialty Printing Systems  
Mail Stop 66-654  
16399 West Bernardo Drive  
San Diego, CA 92127 U.S.A.  
Phone: 858.655.3524  
Website: [www.hp.com/oeminkjet](http://www.hp.com/oeminkjet)  
E-mail: [www.hp.com/oeminkjet/contact.html](http://www.hp.com/oeminkjet/contact.html)

ASMARC  
120 DeFrest Drive  
Troy, NY 12180  
Phone: 800.447.9990  
Website: [www.notesystem.com](http://www.notesystem.com)  
E-mail: [sales@notesystem.com](mailto:sales@notesystem.com)

For more information about HP Specialty Printing Systems and our partners in mail printing, please visit us at [www.hp.com/oeminkjet](http://www.hp.com/oeminkjet)

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