

A man in a red sweater is looking down at a camera lens he is holding in his hands. He is sitting at a desk with a keyboard visible in the background. The image is framed by a yellow diagonal line.

Guests First™ Direct Marketing Campaign Puts Fantastic Sams® Salons a Cut Above the Rest

**Success Story
from KODAK**

Kodak digital production color printing drives customer retention and salon revenues

Application profile

- Creative Agency: Group 3 Marketing
- Kodak NexPress press owner: Maximum Graphics
- Program name: Guests First™
- Program type: Full-color variable data direct mail postcards
- Purpose: Customer retention, win-back, and up-sell
- Content drivers: Purchase history, gender, and offer
- Frequency: Every six weeks
- Campaign began: Early 2005 (ongoing)
- Participating salons: 100+
- Prints per cycle: 30,000+
- Response rates: 15-40%

To be distinctive, attractive, and stand out from the crowd — this is what most people look for when they visit a hair salon. These are also appropriate descriptions of effective direct marketing pieces, and they certainly apply to mailers now being used by Fantastic Sams salons across the country. Indeed, the success of the Guests First™ direct marketing program is drawing increased attention from salon owners and their guests, thanks to the consistently higher response rates and strong returns on investment.

This innovative program is produced and managed by Minnesota-based Group 3 Marketing, a marketing agency focused on finding the best ways to help clients build lasting relationships and increase revenues. The campaign's ongoing production and mailing activities are handled by Maximum Graphics, a Kodak NexPress 2100 digital production color press owner since 2003.

The Fantastic Sams marketing campaign was launched in early-2005, following a visit to the organization's national headquarters by Bart Foreman, founder and president of Group 3 Marketing. After presenting early beta test results, Foreman was able to convince Fantastic Sams corporate management that individually personalized and customized mailers would generate greater returns for salon owners and pay for themselves in short order. They were receptive to the idea, but told Foreman he would also have to convince individual salon owners to buy in. He proceeded to roll the program out on a limited basis, then expanded as the numbers grew.

The Fantastic Sams direct marketing campaign uses full-color personalized and versioned postcards with variable text and images that stand out from conventional 2-color, address-labeled mailings.





How it works

“Like every small business, Fantastic Sams salons want to build relationships with their customers,” says Foreman.

“That’s exactly what this program is designed to do. The basic revenue drivers are attracting new customers, winning back previous guests, and retaining current ones. The campaign also targets existing guests with offers for expanded services, such as hair color or retail products.”

Based on a full description of the program’s components and mechanics, salon owners are given a menu of options to determine which mailers to use and how many to send. They provide customer data captured at the point of sale, including gender and purchase history. There is a full-year mailing calendar based on themes, one drop every six weeks, and the salon owner can set a budget and work within that. In fact, it costs as little as 45 cents per piece to process data, produce and mail an oversized one-to-one direct mail postcard to a target. The results have been quite impressive.

“It’s the owner’s money, and the program is tailored to provide the best ROI within that framework,” adds Foreman. “Typically we see a 15-30% response rate, but many offers have had returns even higher. In one case

we mailed out 1,135 pieces at a cost of about \$500 and got a 36% response. The ROI was more than \$14 for every dollar invested.”

As the campaigns’ results have become better known, more salon owners have signed up. Today around 10% of the company’s 1,400 salons are involved with the program, and the goal is to bring many more of them on board. “We hope to be serving several hundred salons by year end,” says Foreman.

The **Kodak NexPress 2100** press and **NexStation** digital front end enable Group 3 Marketing to produce highly effective, revenue-generating direct mailers for Fantastic Sams owners.



“We’ve always wanted to offer this capability to our clients, but could not have done so until now. **Kodak** technology drove the thinking behind the program.”

– Bart Foreman, President, Group 3 Marketing



Campaigns such as this depend on a streamlined workflow, fast data processing and high-quality production. Thanks to the **Kodak NexPress** 2100 digital production color press and **Kodak NexStation** digital front-end, the jobs flow smoothly and efficiently. Bart Foreman gives a lot of credit to the workhorse system behind the scenes. “It was **Kodak** technology that drove the thinking behind the program. We always wanted to do this for our clients, but never could until now,” he adds.

This advantage is reinforced by the production team at Maximum Graphics. “This campaign is fairly sophisticated, and thanks to Kodak we have a very robust digital printing workflow process that can handle it,” says Kelly Laughlin, production manager at Maximum Graphics. “We can process large amounts of variable data, while turnaround time for jobs has been

reduced tremendously. This is a clear advantage for the agencies we work with. It means they can create more effective direct marketing products, and grow them into more comprehensive programs — like the Fantastic Sams campaign.”

The jobs come in to Maximum Graphics in the form of layout files and data ready for processing and production. The data includes customer contact info, gender, specific offers to be made, and a marketing theme. The output is full-color one-to-one personalized and versioned postcards with variable text and images that stand out from conventional 2-color, address-labeled mailings, with a turnaround of just three days from data delivery to mail drop. And the results have been bringing smiles to owners’ faces.

As one salon owner said, “One of the biggest balancing acts has been not just to increase our guest count, but to retain it as well. Of all the marketing vehicles we’ve tried, the Guests First™

program with Group 3 Marketing has been one of the most lucrative we’ve ever experienced. The guests keep coming back, with postcards in hand, and we do the rest.”

“There are three main aspects to what we do with this program,” says Foreman. “We get the data from each salon’s POS system and segment and process it. We combine Fantastic Sams corporate guidelines with our design skills and creativity to produce unique mailers. And, with our print partner, we make sure things look good off the press.”

Looking good is also a promise that Fantastic Sams makes to its guests every day. With this “cutting-edge” one-to-one marketing campaign, salon owners seem assured of welcoming many more guests in the future.

To learn more about solutions from Kodak:

Visit graphics.kodak.com
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Eastman Kodak Company
343 State Street
Rochester, NY 14650 USA

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U.DP.102.0906.en.01

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