

YOU'VE GOT MAIL

Transpromo offers efficiency, promotes customer loyalty and creates cost savings, yet many marketers have not recognised its value. InfoTrends' **Matt Swain** explains how a multi-channel strategy can bring home the marketing message to your customer:

- The media fragmentation in today's market is extreme.
- The value of the transaction document has been overlooked.
- For transpromo, the first step to success is organisational alignment.

Today's economic conditions require marketers to do more with less, but optimising marketing spend sometimes requires new tools and techniques. Marketers are facing the challenges of new distribution channels, a 24/7 global economy, pressure to deliver identifiable ROI, and the need to deal with rapidly-developing technologies that are changing the face of marketing.

As if that was not enough, marketers need to efficiently segment their markets, attract new customers with continuity campaigns that encourage engagement, support multiple channels of distribution with comprehensive materials, identify cross-sell and up-sell opportunities and maximise the lifetime value of the customer.

Technology also creates considerable challenges, as it has put the consumer in control of content and marketing messages. Marketers must learn what information is relevant to their customers

and prospects, then find a way to deliver it in the most desirable form.

The media fragmentation in today's market is extreme, making this task even harder. Consumers are constantly being marketed to, encountering marketing messages in the mass media, mail and even on their coffee mugs. As a result, consumers are becoming increasingly skilled at 'tuning out' irrelevant communications. With consumers more in control of their media experience than ever before, marketers must adjust their tactics to cut through the clutter. Savvy marketers are focusing on transaction documents to achieve this goal.

The transaction document opportunity

Transaction documents are legally relevant items that are sent electronically or printed, inserted, and mailed. In the banking world, these are monthly, quarterly or annual statements. They are usually created internally by organisations, carry fixed and variable data, and are mailed to customers or sent through an electronic billing system.

The value of the transaction document has been overlooked by marketers. It is a mandated correspondence that is generally driven by an IT department that tends to care more about delivering the

information than about communicating with the customer. A recent InfoTrends study, *Trans Meets Promo: A European Perspective*, showed that 98% of bills and statements received in the mail are opened and read. Furthermore, consumers in Western Europe spend an average of 3.5 minutes reading and reviewing each of these statements.

Customers spend a similar amount of time – 3 minutes – reviewing their online bills or statements.

Marketers have begun to recognise the importance of bills and statements and have begun to implement transpromo to enable marketers to send highly-targeted messages to their customers. Transpromo messaging does not have to be promotional, it could be a targeted notification or another educational/informational message. Others refer to these messages as ‘onserts’ (as opposed to inserts), or even statement ‘billboards.’”

The historical model of statement inserting has grown tired. While inserts can be targeted at a demographic level,

they are not personalised. Also, in most cases, inserts are discarded without a second glance. This is where transpromo comes in. For instance, as a bank holding a customer’s checking account, wouldn’t you also like to service that customer’s home and car loans? The messages about

touchpoint. It is where a customer can interact with your company. Touchpoints affect how you are perceived. Marketers are quickly learning that, depending on the complexity of the product or service, the number of relevant touchpoints can range from one to hundreds. The

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your offerings will likely make more of an impact if they are presented on the statement that your customers must review anyway.

Reaching the touchpoints

Each statement, invoice, bill or notification serves as a customer

key is not the number, but the ability to use those touchpoints to build a closer relationship with your customer.

Since transaction documents are delivered to customers every month, it is time for companies to begin leveraging these touchpoints.

Because businesses know their customers and have an ongoing relationship with them, they can use this knowledge to manage the customer relationship life cycle. Transaction documents provide an ideal opportunity to recognise loyal customers with value-added information, special offers, gifts and events. The overriding objective is to retain loyal customers and grow revenues by extending the relationship with solid communications. You eventually want to convert your customers into advocates that actively promote your products and services to friends and colleagues.

In addition to enhancing customer relationships, transpromo documents offer a tremendous opportunity to meet various operational objectives. For instance, postal charges can be reduced. Postal rates rise each year, and direct marketers are continually challenged to offset these costs, which can represent up to 65% of total direct mail project budgets. Nevertheless, many marketers fail to focus their cost-reduction efforts on postage, trying instead to reduce expenses involving printing, materials and other campaign elements. Transpromo materials combine essential documents with loyalty-building and cross-selling information.

Companies are also improving the



revenue collection process and achieving better cash flow through statement redesign and the effective use of colour. More timely payments and reduced exceptions offset much of the cost of colour communications. Additionally, digital colour printing of bills, with key information highlighted, reduces call centre traffic and associated costs. InfoTrends' European transpromo report surveyed nearly 400 companies that send bills/statements to their customers about the benefits of using colour in these documents. The greatest percentage of respondents believed that colour conveys a higher value to the customer.

Colour opens up a number of opportunities to impress your customers, while also providing clarity that can result in call centre reduction. Companies that have moved to a full-colour approach with their transaction documents have proven these call centre savings. The overriding message is that transpromo offers marketing and operational return on investment.

Adopting transpromo

When it comes to transpromo, the first step toward success is achieving organisational alignment. There are marketing, operations and IT, and in some instances, a business line manager and an agency to consider. Each area has different needs and issues, and each requires a different expertise to ensure they are met and issues are resolved.

As today's economy forces organisations to do more with less, anything that even remotely resembles superfluous spending will be eliminated. In challenging times, transpromo communications add tremendous value

as they deliver techniques for saving and making money. They also reduce operational costs and drive revenue through cross-selling and up-selling, managing the customer life cycle, and transforming operational costs into a revenue source by selling white space. These are all compelling reasons for corporate executives to consider transpromo today. FBA



Matt Swain

As senior research analyst for InfoTrends' transpromo service, Matt Swain is responsible for providing market and forecast analysis, developing content for projects, covering and reporting on industry conferences and advances and offering ongoing client care and inquiry response.

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