



KEEPING YOUR EYE ON THE BILL

What better way to capture the attention of your customers than to incorporate your message into something they're already opening: their monthly bill

BY VICKI POWERS

ONE

of the biggest challenges of marketing is getting recipients to open a direct mail piece. So what better way to capture people's attention than by inserting a marketing message into a piece that many people are too afraid not to open?

Hence, marketers' increased attention to the monthly bill.

Indeed, the monthly invoice is getting a full-on marketing makeover. Increasingly, marketers are realizing that all that white space on these must-read documents offers cross-selling and up-selling opportunities without threatening to increase delivery costs.

Research compiled by marketing experts and business consultants reveals that 95 percent of customers open their monthly statements at least once, and the average consumer spends up to three minutes reading his or her bill. No wonder many observers predict that "transpromotional" mail — the newly coined term for pieces that include relevant marketing messages on transactional documents — is expected to increase by a compound annual rate of 91 percent by 2010.

"If there is relevant, exciting and interesting information on those statements, then those companies gain eyeball time and consideration to change customers' behavior," says E. Scott Wagner, manager of worldwide marketing for continuous-feed products at Xerox. The rate of return on personalized communication is usually three to five times that of generic direct mail campaigns, says Wagner.

Taking Action

One group using the new marketing approach is the Ford Motor Company automotive finance unit, Ford Motor Credit. In 2006, the division replaced its traditional monthly leasing invoice and inserts with a transpromo initiative using full-color, customizable invoices designed around the car brand that a customer drives. The goal: increasing sales of its Ford, Lincoln, Mercury, Mazda and Volvo vehicles.

Ford Credit uses its monthly invoices to communicate with customers on everything from vehicle service schedules to special financing offers and new vehicle promotions. Guided by info gleaned from customers, Ford Credit tailors statements with marketing messages and promotional offers targeted to its customers' buying preferences and patterns.

The declining cost of color printing and the increasing quality and speed of printouts influenced the division's switch from preprinted, company-branded paper. The division prints about 175,000 statements daily — or about 42 million invoices each year. Ford Credit saves significantly on postage costs by reducing the number of inserts inside



Major marketers are catching consumers' eyes by weaving attractive marketing messages into their otherwise dreaded monthly invoices.

invoices and consolidating mailings. Although Ford executives don't reveal specifics, they say the transpromo initiative is meeting the company's expectations in terms of returns.

Targeting Wisely

There is such a thing, however, as marketing too much. The downside to transpromotional efforts is that just because you can promote something on a statement doesn't mean you should, says Elizabeth Gooding, president, Art Plus Technology, a Boston-based company that focuses on personalized transaction documents. Many customers — in the personal investing realm, for example — feel that their financial statements are their private domain and resent the overt marketing.

"Conducting research into your clients' preferences is strongly recommended," Gooding relates. "The critical factor is understanding the audience, figuring out what will be of value to them, and delivering offers that they can take action on easily." Focus groups right from the start helped Ford

Credit learn more about its clients' needs—they wanted and expected to hear from Ford, loved color, loved pictures and imagery, but didn't want too many pages.

Citizens Bank, a banking subsidiary of Rhode Island-based Citizens Financial Group, is moving to transpromo as it reengineers its entire document production process. Citizens will combine the transactional deposit account statements that it mails to millions of customers with personalized customer communication, using its customer databases.

"Transpromo is on our strategic radar as we move forward and will provide considerable cost savings and cross-sell opportunities within the bank," says Philip Cusick, manager, Enterprise Payment Print Center, Citizens Bank. "We'll be able to marry the transactional components with personalized customer data—targeting aspects such as high-value customers and buying habits."

Saving Resources

Transpromo not only provides a cost savings in postage costs by piggybacking marketing with monthly mailed statements, but it also reduces the number of pages produced, which results in dollar savings and helps the environment.

Cathedral Corporation — a New York-based national provider of transactional documents, personalized direct mail and e-marketing programs, and customer care communications — is working aggressively with its customer base to encourage them to print digital inserts in place of generic inserts that are folded in separately, since the reader response is so much stronger. In the last year it has moved to "onserts," where Cathedral prints a small teaser offer on the front page of the statement that refers customers to a personalized offer printed later in the statement.

Marianne Gaige, CEO at Cathedral Corporation, believes combining transpromo with different methods of communication is important and will help most companies grow. Cathedral



clients often use personalized URLs on the bottom of statements that direct customers to a Web site with a Personalized Offer Page (POP) that resembles the printed page. If customers sign in to the personalized offer, it kicks off direct mail, and customers will receive a letter from a branch manager, for example, with a personalized offer.

The combination of new technologies, postal changes and market conditions make transpromotional mail a prime strategy for today's marketing professionals. Companies using these communications build relationships and dialogue with customers in addition to communicating their transactional data.

"Transpromo is not a new concept, but now new technology

and the use of relevant data enable it to be easy and — most important — deliver great business results," says Shelley Sweeney, vice president, general manager of Xerox's service bureau and direct mail sector. "And the marketplace is ready for it." **D**

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