

Transpromo takes off for B2B communications

Take your documents to the next level and realise the full potential of Transpromo

Introduction

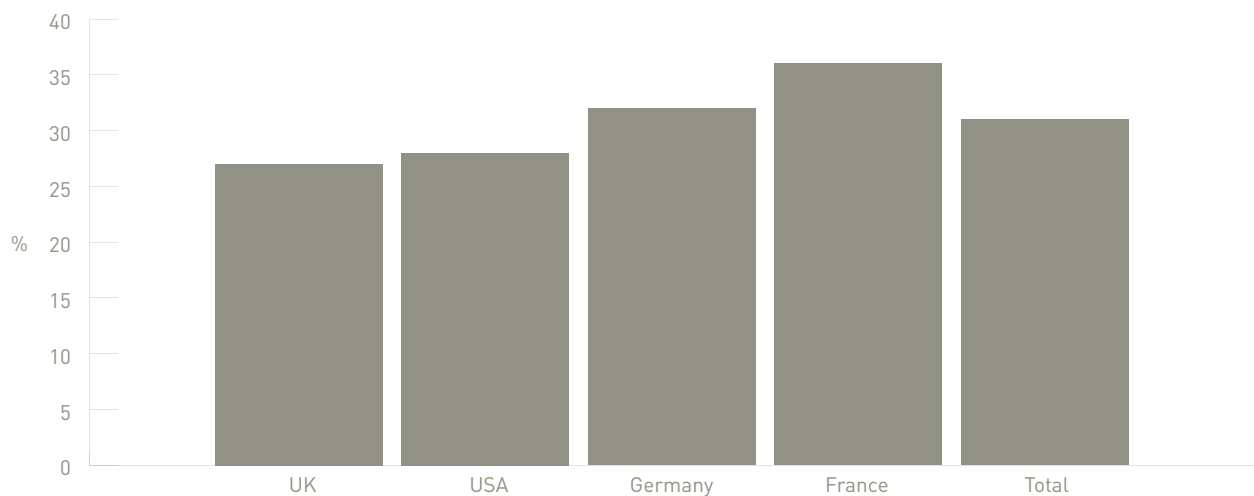
For the last few years transpromo – the practice of adding marketing messages to bills and statements and other transactional documents – has been talked-up in business circles and the media without much hard evidence of the technique being applied. Now, new research from Pitney Bowes reveals that the potential of Transpromo is finally being realised.

Pitney Bowes assesses the research findings and reports on widespread enthusiasm for a technique that, with the emergence of new technology, is taking printed communications to the next level.

Our recent survey* of B2B businesses across UK, France, Germany and the USA reveals that transpromo is moving from a much talked-about projection to a widely implemented reality. Businesses of every type and every size are looking to maximize the benefits of adding marketing messages to transactional communications.

The numbers show that an average 34% of B2B companies in UK, France and Germany have put personalised messages on their bills, statements and customer service communications. The USA records a similar figure of 31%.

My Company puts personalised messages on bills, statements and customer service communications



These figures provide hard evidence that transpromo is taking off across the board, with over a third of all B2B businesses across the five regions now adopting a transpromo strategy. Certainly, previous forecasts for transpromo growth have been bullish – with Infotrends¹ predicting the production of 21.72 billion images in 2010 in North America alone. Infotrends² also forecasts a robust 68 percent CAGR for transpromo documents culminating in the output of 22.8 billion transpromo impressions (again in North America) in 2012.

To date, much of the analysis of transpromo has centered on businesses communicating with consumers. The focus has been on businesses such as banks and insurance companies that produce large volumes of transactional documents. This latest Pitney Bowes survey provides evidence that the technique is proving to be just as compelling for businesses looking to sell to other businesses.

So what is driving this take-up? And how is business-to-business communication developing?

Analysts estimate that every consumer is exposed to around 3,000 advertising messages each day. In the midst of this information overload we are now far more selective about what reaches us and what doesn't. And we are far less tolerant of messages that are lazy, unprofessional and poorly targeted.

This is as true for the business-to-business (B2B) environment. Indeed, respondents surveyed were all from B2B firms. In truth, B2B marketing isn't directed at a faceless brand or corporation – it is still aiming to attract the attention of individuals. The busy executive is every bit as bombarded with messages and offers as the retail-happy consumer. Whether targeting business buyers or consumers, the landscape has changed from a push to a pull model, with the buyer dictating the frequency of information and how that information is delivered. Businesses can no longer afford to do things 'the old way'.

So, it takes relevance to break through the marketing clutter. Demonstrating relevance – not once, but time and time again

– leads to trust. And customer trust is gold-dust. Nurturing existing customers not only provides stability but can lead to impressive growth. Take this statistic from Infotrends – just a 5% growth in current customer business can equate to as much as a 50% profit in bottom-line profits.

Trust in Transpromo

Transactional mail is already a highly trusted medium and great strides have been made in recent years to enhance the accuracy and integrity of these mandatory communications.

The fact that transactional mail is trusted results in an extremely high open rate. Further, once opened, the recipient concentrates on the content for an average of two to three minutes, with 20% reviewing the document for five minutes or more³. This timeframe takes on more significance when you remember the sheer number of messages that we are all exposed to.

Additionally, transactional documents are retained for longer than direct mail, meaning that any marketing message added to a statement, for example, has the dual advantage of gaining more immediate attention and of registering again when the statement is reviewed.

The regular, cyclical nature of transactional communications makes them an ideal vehicle on which to carry promotional messages. Marketers can plan campaigns around when transactional communications hit. And resources can be planned in terms of handling the responses that are generated by these campaigns.

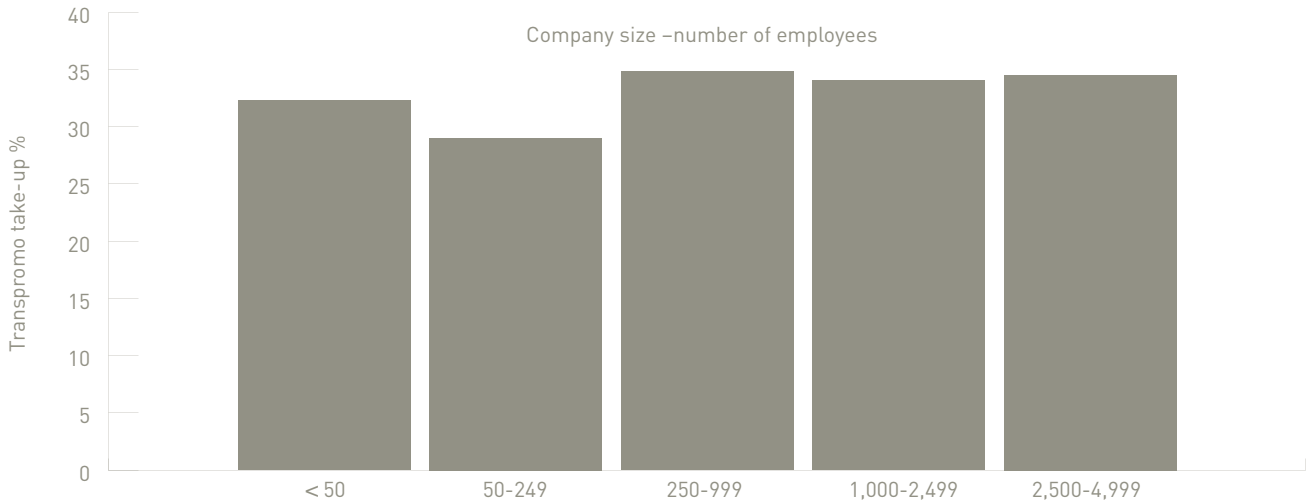
Traditionally, transactional documents were viewed as a necessary cost burden but transpromo turns this outlook on its head. In the past, focus was on cost per mailpiece – how can I get this essential customer information out of the door at the best possible price? Today, managers are seeking to measure cost per response as well as customer loyalty and retention.

¹ Transpromo summit, 2008

² Transpromo summit, 2008

³ Infotrends – 'Transpromo: An idea whose time has come' - 2008

Transpromo take-up by company size



Adding marketing messages to transactional documents that are already being despatched transforms these documents into communications with the potential to generate significant revenue over the lifetime of a satisfied customer. And because these documents are being despatched already, transactional documents represent a highly cost-effective marketing vehicle.

Businesses face a dilemma. The target is to strengthen one-to-one customer relationships and grow revenue. But managing the constantly increasing volume of individual transactions with growing numbers of customers can make it difficult for businesses to hold the line on costs. Transpromo is enabling organisations to reach this level of “mass personalisation” while meeting the dual goals of revenue enhancement and cost reduction.

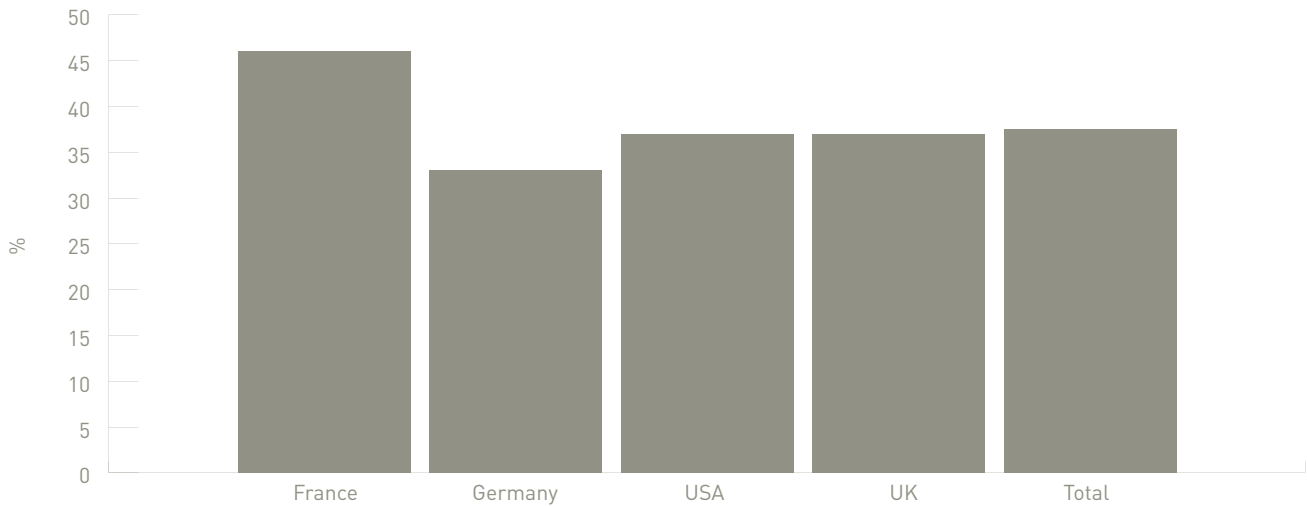
A technique for businesses of every size

Interestingly, take-up of transpromo is not limited to larger organisations despatching high-volumes of mail. As the graph above shows, businesses of every size are embracing the transpromo concept.

Any business sending regular transactional documents to customers can benefit from a transpromo strategy. For smaller businesses, the marketing messages accompanying these documents can be included as inserts within the envelope. This practice is made quick and efficient by desktop technology which automates the folding and insertion of communications.

The software also exists to enable businesses to embed their offers and messages within the transactional document. Any white space on the page is effectively treated as ‘document real-estate’, transforming a single-purpose communication into a document that performs two vital tasks.

If personalised messages and images could be put on the outside of envelopes, it would improve opening and response rates



Transpromo and beyond

The competition for customer attention is intense and marketers are looking seriously at any opportunity to increase selling time with the audience.

Now, the document doesn't even have to be opened to begin capturing the recipient's attention. Full colour envelope printers have been introduced that effectively give marketers a sizeable new canvas – the envelope itself – on which to cross-sell and up-sell. Envelopes can be personalised and tailored to the same level as the document within.

Survey results show that the B2B community is already excited by the possibilities that this technology affords.

Full colour plays an important role and has been shown to drive significantly improved response rates. The combination of this eye-catching colour with messages tailored to the recipient – positioned on the envelope – is regarded as a powerful addition to the marketing armoury.

Transpromo hits the B2B mainstream

Few businesses choose to communicate by mail alone, recognising that today's client or customer appreciates the convenience of choice. However, there has been no mass replacement of mailed communications with digital, with many recipients preferring a hard-copy record of transactions.⁴ Indeed, there are certain documents that businesses are duty-bound to send as mail. Now, businesses are getting wise to extracting maximum value from each and every mailed communication.

This latest Pitney Bowes survey reveals that transpromo has now been fully embraced by the B2B community. Much of the comment to date has been around transpromo working with a consumer audience. But this B2B survey-base also sees value for B2B communication in a technique that is driving added value from existing documents at a time when every communication cost is minutely scrutinised.

Neither is business-size determining who can and can't benefit from transpromo. Even the smallest businesses are

⁴ Forrester, The banking channel popularity contest, 2009; PRIMIR, Trends and future for financial and transactional printing, 2008

aware of the advantages to be gained from using their existing, mandatory transactional communications as vehicles for marketing cross-selling and up-selling. New technology is aiding this process, automating previously time-consuming tasks such as document insertion and folding to bring further efficiency to the communication process.

Transpromo has moved from an ideal to a reality for a number of businesses. With new technology such as digital envelope printers emerging, the technique is set to further develop, delivering customer communications that get noticed, get read and drive significant response.

*Methodology

- Online survey
- 1000 companies in each of: UK, France, Germany, USA
- Representation by business size bracket
- Survey conducted March 2010



Pitney Bowes Management Services
6 Hercule Way, Leavesden Park
Watford, Herts WD25 7GS
T: 08444 992 728
E: contact.us@pbms.co.uk

www.pbms.co.uk

© 2010 Pitney Bowes Ltd. All rights reserved.

Pitney Bowes is a \$5.6 billion global technology leader whose products, services and solutions deliver value within the mailstream and beyond. Founded in 1920, our company's 33,000 employees deliver technology, service and innovation to more than two million customers worldwide. For more information about Pitney Bowes, its products, services and solutions, visit www.pb.com.