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Analysis

TransPromo – A Timely Decision

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Abstract

Transpromotional communications, also known as “TransPromo”, is the act of combining transactional information with promotional and other messaging on the same document. Meeting both marketing and operational objectives, TransPromo is seen as a very timely decision. This article will discuss the relevance of TransPromo, the current market and opportunity, and explain why this is a good time to be thinking about TransPromo.

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In a Difficult Economy...

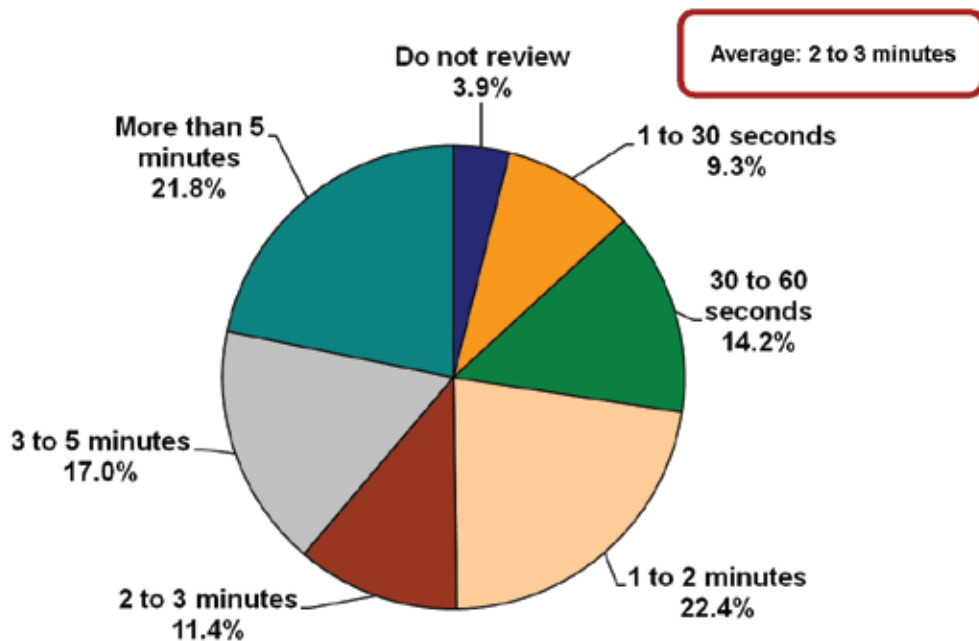
In a difficult economy, marketers need to make the most of all available customer touchpoints to drive relevant customer interaction. One critical touchpoint often overlooked is the transaction document. Enhanced transactional documents can help more effectively manage cash flow and reduce costs, and they are a tremendous marketing vehicle. As more issuers of transaction documents explore the value of TransPromo communications, it has always been assumed that the time spent reviewing transaction documents would be a key advantage, making relevant promotional messages more noticeable and more likely to be acted upon.

This assumption is valid. Transaction documents are almost always opened and read. InfoTrends' recent study entitled *Trans Meets Promo... Is It More Than Market Hype* found that 95% of consumers open and read their bills and statements. Of those consumers who receive statements in the mail, an average of two to three minutes is spent reviewing each statement received and over 20% of respondents spend more than five minutes reviewing these documents.

In a world that is cluttered with promotional messages, this dedicated time spent with statements and other transactional documents presents a unique opportunity for marketers to gain the attention of recipients and to use these documents as an effective marketing platform. If a company is trying to get a message across, the transaction document is an ideal opportunity.

Figure 1: Time Spent Reviewing Monthly Statements

On average, how much time do you spend reviewing each of the monthly statements you receive in the mail?



N = 1,067 Consumers

Source: *Trans Meets Promo... Is It More Than Market Hype?*, InfoTrends, 2008

Leveraging the Touchpoint

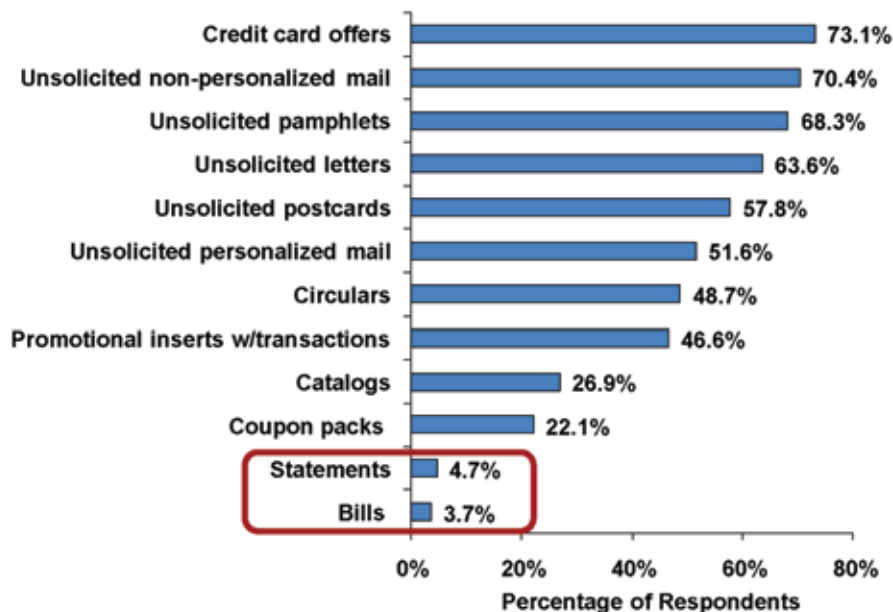
Combining transactional information with promotional and other messaging on the same document is a solution called transpromotional communications or “TransPromo”. TransPromo documents are directed towards individuals that have opted into a relationship with your company. These documents can build loyalty and trust, cross-sell, educate, reinforce a brand, and retain and activate clients. They are the ultimate customer touchpoint.

Transaction documents can be used to cross-sell new products or services to existing clients. If you have a homeowner’s policy, your insurance agent could cross-sell you a life insurance policy. If you have a checking account with a local bank, they could promote a low interest rate on home and car loans directly on your monthly statement. And retailers are continually looking at cross-selling options for a variety of goods and services.

Historically, marketers have used a combination of techniques with statements – including inserts, bangtails (or flaps) attached and perforated on the back of the remittance, and other static promotional printing on the envelope. Amidst all of the complexity and clutter people have to deal with every day, these advertising approaches have become somewhat tired, and many recipients simply throw away inserts without reading them. With more consumers paying bills online, return envelopes are even being tossed in the trash. In fact, in InfoTrends’ TransPromo study, consumers were asked which mail pieces they discard without reading. Credit card offers, non-personalized pieces, and other unsolicited mail topped the list of “discarded without reading” while statements and bills were the mail items that cut through the clutter.

Figure 2: Types of Mail Discarded without Opening or Reading

In general, which of the following types of mail do you discard without opening or reading? Please check all that apply.



N = 1,067 Consumers

Source: *Trans Meets Promo... Is It More Than Market Hype?*, InfoTrends, 2008

TransPromo provides an opportunity to use the “onsert” approach, where marketing messages are placed on the statement itself. By adding color and targeted messages directly on the transactional document, they become more functional, and messages are more likely to be noticed and acted upon. This transforms what is typically considered a mundane transactional document into a revenue-generating and cost saving platform.

Meeting Operational Objectives

The TransPromo opportunity offers far more than just the ability to place a marketing message on a statement. Finance and operational professionals are seeking ways to reduce costs, and are looking to onserts as a way to eliminate some or all of the enterprise’s direct mail campaigns and ancillary mailings. Think about the postage savings that can be achieved by putting marketing messages directly on a transaction document that was going to be mailed anyway. Humana, a large healthcare insurance provider in North America, implemented a TransPromo solution with its SmartSummary document. In 2007 alone, Humana saved over \$10 million in costs by consolidating (and better targeting) messaging to its customers. A TransPromo statement is also usually the result of a document redesign – which can increase readability and decrease costly call center volume. For Humana, the SmartSummary was designed to be an invaluable educational and informational resource that enhanced loyalty and customer retention.

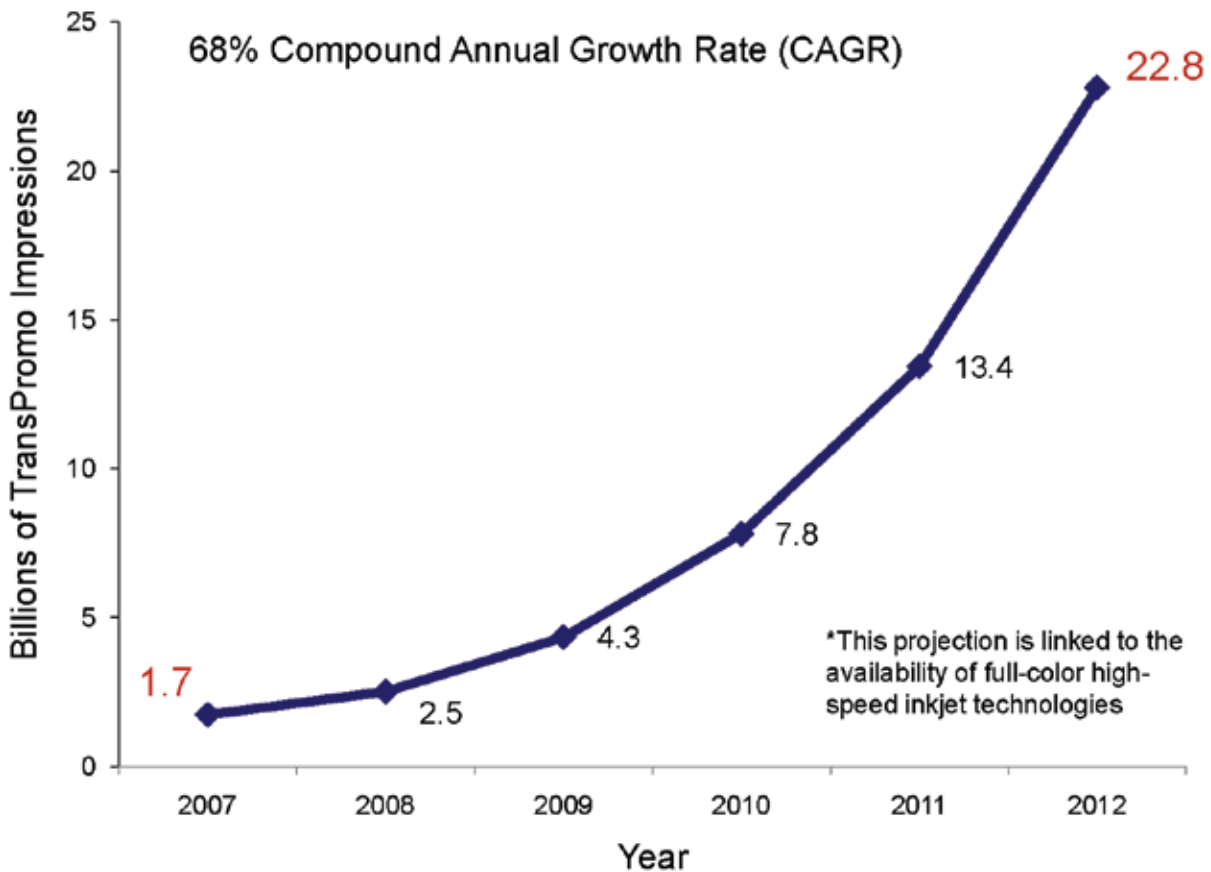
The operational benefits most often realized with TransPromo communications include:

- Improving cash flow by focusing attention on key account information
- Reducing postage, printing, and call center costs
- Retaining clients or reactivating dormant relationships
- Driving faster buying decisions by building loyalty and trust
- Improving revenue by cross-selling relevant products and services

The Forecast for TransPromo

Service bureaus, statement printers and data centers will often tell you that the concept of TransPromo has been around for decades. However, there has been a recent surge of interest in stepping up its use. During 2007, TransPromo full color digital output represented only 1.7 billion equivalent images in North America. From this small base, InfoTrends expects this output to experience a compound annual growth rate (CAGR) of 68% to reach 22.8 billion images by 2012. This growth will be driven by increased focus on marketing ROI, advances in digital printing equipment (speed, cost, quality), and continued market adoption as organizations seek to exploit technology to drive loyalty, brand recognition, and profits.

Figure 3: Growth Forecast for TransPromo



Source: Trans Meets Promo... Is It More Than Market Hype?, InfoTrends, 2008

Other global markets are also showing substantial growth opportunities for TransPromo. InfoTrends has observed great TransPromo results in the Asia Pacific region and Western Europe. During 2009, InfoTrends plans on conducting a landmark study entitled *Trans Meets Promo: A European Perspective* to explore the TransPromo opportunity in Western Europe. Surveying marketers, transaction document owners, print service providers, and consumers, this study will provide a never-before-measured view into the unique considerations for TransPromo among stakeholders in key Western European countries.

Now is the Time for TransPromo!

In today’s economy, it is about doing more with less. Drowning in a sea of unrelated marketing campaigns, consumers are demanding relevancy in messaging. They want only the information they need, and they want it quickly and efficiently so they can move on to the next task in their busy day. In short, consumers want less information that is more relevant, and they prefer honest and meaningful dialogue over advertising bombardment. Because TransPromo communications are based on existing relationships, they give marketers a unique opportunity to deliver against those demands to build customer loyalty.

Given current economic conditions, marketers cannot afford to waste budget dollars on ineffective communications. They need to present their messages in a way that breaks through this clutter, grabs consumer attention, and encourages desired behaviors in recipients. Well-designed TransPromo creates meaningful customer interaction – meeting both marketing and operational objectives.

In a tough economy, everything comes down to making and saving money. TransPromo notifications get opened and read by customers. When combined with relevant messaging, color, and good offers, TransPromo communications can help retain and grow business.

The forecast is bright for TransPromo, and the time has never been better to see what it can do for you.

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