

# Huge Growth Seen in Digital Print Combining Marketing Messages and Transactional Data

*Whether It's Adding Relevant, Promotional Messages to Bills and Statements or Personalizing Direct Mail with Transactional Data, the Combination Delivers Results*

by Shelley Sweeney

It's taken 30 years, but print applications that mix promotional messaging and transactional data finally are considered a "hot industry trend."

TransPromo, as the application is widely known, is projected for astonishing 91 percent compound annual growth from 2006 to 2010, according to InfoTrends, the Newton, Massachusetts-based market research and strategic consulting firm. This means that digital color pages devoted to the application will grow from 1.6 billion in 2006 to 21.8 billion in 2010.

Why now? Digital color printing technology is a key enabler. Most of today's bills and statements are printed on monochrome digital printers, often using offset-produced letterhead. Marketing inserts are produced separately. Today's digital printing systems can boost communications impact with strategic use of color and personalization, and streamline production with one-pass printing that also includes "inserts" as part of the bill or statement. Digital systems coming out in the next few years will build on these capabilities by boosting production speed and reducing costs, from today's best total cost of operation of five cents per page to a new low of less than two cents, according to InfoTrends.

Another factor is the ever-rising cost of postage, which leads companies to scrutinize and adjust their mailing strategies, to cut costs and boost the impact of the mail they do send. Many firms are awakening to an understanding that bills and statements are the most widely read customer documents the enterprise produces. Ninety-five percent of these transactional documents are opened and read, according to InfoTrends. The firm further found that 63 percent of customers prefer statements that include personalized, relevant offers in the same document to traditional statements that arrive with inserts. So incorporating promotional messaging into a transactional document can not only generate a higher read rate for the marketing message but boost the document's appeal, as well.



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And on the flip side, transactional data also is proving to be extremely valuable for creating individually relevant direct mail offers with more relevant messages that increase response rates and return on investment.

Here's a brief look at how several leading print providers and their customers are capitalizing on these opportunities.

## Generating 20 Percent Annual Growth

Nearly every transactional document that Rome, New York-based Cathedral Corporation ([www.cathedralcorporation.com](http://www.cathedralcorporation.com)) produces includes promotional messaging, according to Marianne W. Gaige, president and chief operating officer, Cathedral Corporation. And Cathedral produces a lot of transactional documents, on its Xerox digital printing systems — about 58 percent of the company's \$20 million business revolves around bills, statements and other transactional pieces, both in print and electronic form.

"People read their statements, and if you include truly personalized and

Marianne W. Gaige is president and chief operating officer, Cathedral Corporation, which prints UMassFive College Federal Credit Union member statements in one pass on its Xerox DocuTech 180 Highlight Color printing system. The box at the top right of the statement points readers to promotional offers inside.



targeted messages and compelling offers, those will be read, too,” Gaige said. “For example, if a bank statement says, ‘I know you have a CD that’s maturing, so here’s a new CD with a favorable rate,’ that message tells the customer, ‘Hey, I know you. You’re my customer, and here’s something that may be right for you.’ You can’t get more personal and relevant than that.”

Among Cathedral’s clients that are using statements for promotions is the UMassFIVE College Federal Credit Union, a member-owned, not-for-profit, financial services institution based in Hadley, Massachusetts. Last year, some UMassFIVE College marketing efforts were made exclusively through statements, enabling the credit union to track their success.

Early in the year, management sought more auto and home equity loans through promotions in statements. The effort was so successful, that later in the year, management sought to replenish deposits. Within two weeks of making its first CD offer via statements, members deposited \$2.5 million.

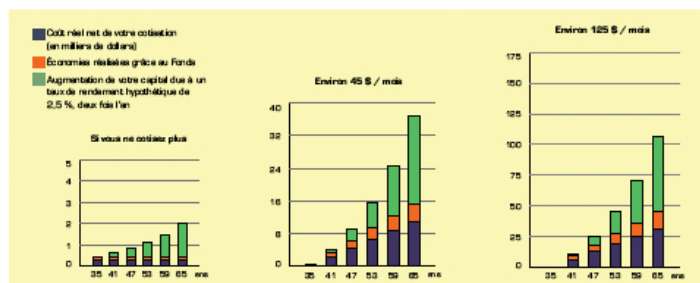
Successes like these helped drive 20 percent growth in transactional-promotional business at Cathedral last year. “I believe you can’t over-communicate to your customers,” Gaige said. “We sell the value of print and electronic communications to help organizations grow. We tell them you can and should make your statement into a marketing document.”

## 155 Percent Boost in Contributions

The Solidarity Fund QFL ([www.fondsftq.com](http://www.fondsftq.com)) recently used transactional customer data in a direct mail campaign to personalize the ways shareholders can benefit from making regular, monthly contributions. Among the results: a 155 percent increase in the number of shareholders who switched from annual lump sum payments to monthly, automatic payments, which help ensure long-term, sustainable growth for the fund.

The Solidarity Fund, a registered retirement saving plan that invests in Quebec-based companies, ran the campaign as a test by the Xerox 1:1 Lab, at the invitation of the fund’s print provider, CGI. The test compared results generated with a highly personalized marketing piece to those of a similar, non-personalized control piece. Personalization included appeals to invest based upon age and gender, graphs charting the investment’s hypothetical growth based upon age and past contributions, and examples of local businesses that have benefited from fund investments.

“The large number of variables enabled us to adapt almost every line of our document to each individual’s specific situation, such that each shareholder would be able to see the value of our offer,” Frédérique Chatain-Collinet, management consultant at the fund’s Shareholder



The Solidarity Funds mailing used graphs charting the hypothetical growth of a shareholder’s investment based upon age and past contributions to show that regular monthly investments usually generate better results.

Projects Branch. “(It’s) a very powerful marketing tool that was much more effective than our traditional tools.”

Other results included a 3X increase in reactivation of payroll deduction plans among people who had dropped them in the last six months and a cost reduction of 17 percent. Ultimately, fund management came to recognize the power of its information on shareholders. “We can now confidently foresee using the Xerox 1:1 Lab approach to produce other highly personalized communications on a wide scale,” said Sylvie Laferrière, project coordinator for Shareholder Projects, Solidarity Fund QFL

## New Printer Having Big Impact

Another company that is seeing brighter possibilities on the horizon is Stralfors ([www.stralfors.com/en](http://www.stralfors.com/en)), a provider of solutions for the efficient communication of business-critical information, based in Ljungby, Sweden. The company is testing the Xerox 490/980 Color Continuous Feed Printing System, which prints as many as 986 images per minute for U.S. letter-size pages and 900 images per minute for A4 sizes, in high-quality color on a range of light to heavyweight paper stocks. (The system is expected to be available for order taking in North America in the fourth quarter of 2008.)

The company produces about one of every three mailings to households in Scandinavia and is using the new system to produce some of its largest mailings, such as statements and invoices for banks, utilities and loyalty clubs and other business-to-consumer companies. In response to customer demand, many of these full-color business documents incorporate marketing messages.



Among the new digital color printing devices expected to drive the trend toward incorporating marketing messages in bills and statements is the Xerox 490/980 Color Continuous Feed Printing System, which is currently in use at Stralfors.

“These customers tell us that the invoice or the bank statement is the document that is actually read, so if you want to communicate something important, put it on a transactional document,” said Hakan Larson, technical director, Stralfors.

While “printing in color is nothing new,” Larson said, the Xerox 490/980 is helping Stralfors produce transactional-promotional documents on a larger scale than ever before. “This is the first printer in full color that is suited for industrial print,” he said. “We think it will have a major impact on the industry.” ■

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