

TransPromo— Going Beyond the Buzzword

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“TransPromo” is one of the hottest buzzwords in the business world at the moment, and it’s a safe bet that we’ll be hearing more and more about it over coming months. The term stands for “transactional promotion” and although the concept has received a lot of attention lately, it really isn’t a new idea, just a new catchphrase. You may already know that TransPromo means combining an organization’s regular transactional documents, such as monthly invoices or quarterly statements with promotional messages. For years some credit card companies have been adding products and services to the white space of monthly statements. Telephone and utility companies print messages directly on bills for “bundled services” or tips on energy savings directly on their customers’ monthly bills. The software and printing technology to produce these items is readily available and has been for years. So, if TransPromo is nothing new, what is all the buzz about?

Perhaps it is the increasing awareness of the powerful potential of TransPromo—if and when it’s done effectively. That’s a very important “if.” Before implementing a TransPromo initiative it’s important to consider several things. First, take a look both spam and junk mail. What do they have in common? Both are defined as unsolicited messages that often are irrelevant to the recipient. Can we turn this around and say that requested information that is relevant to the recipient is in a different and better class all together? This is exactly what TransPromo aspires to deliver—promotional messaging that recipients want and reflect their tastes and interests. And this is how TransPromo

can be used most effectively, translating the time and money invested into sales that boost the company’s bottom line. The proponents of TransPromo claim that customers certainly will open their invoices and statements, so accompanying items have a better chance of being read. But going from transactional to TransPromo successfully requires well-defined criterias.

MAKING TRANSPROMO PAY

The simplest type of TransPromo might be considered as an ad insert or coupon slipped into a regular monthly invoice or printed directly on the statement. Most of us get dozens of these every month: offers for limited-edition coins packaged with the bill for the gasoline credit card, or the promise of low mortgage rates printed on the checking account statement. The problem is that these inserts and offers go to all customers, whether or not they have any particular interest in coins or refinanced their mortgage two weeks ago. Simple perhaps, but more than not, highly ineffective.

An effective TransPromo program is more sophisticated, more closely targeted, and more challenging to implement—but not as difficult as it might. Such a program integrates data drawn from an organization’s various information silos, such as customer sales history, the name and address database, marketing and sales resources including graphics, and perhaps even customer credit history. By bringing all these resources together, the marketer can send an offer for sporting equipment only to those customers who regularly buy sporting equipment and, more specifically, can offer ski equipment

only to those who have purchased winter sports gear within the last two years. Companies can go even deeper with promotional creativity and relevance by sending out the offer in time for holiday shopping—and only to customers who pay their bills on time.

Such careful targeting has proven over the years to generate significantly higher response rates and stronger sales. However, as noted above, it requires drawing information from several different—and often traditionally segregated—sources of information within a corporation, as well as the ability to sort the data according to given rules or criteria, then match the offers to the appropriate recipients. And all of this has to be accomplished according to increasingly shorter go-to-market timetables and promotional cycles.

FOLLOWING THE TRANSPROMO PATH

The software (and the hardware) for this type of very high-level, high-return TransPromo already exists and has been in use across the country for almost a decade. If you are just starting down this road, however, it's important to seek out software that serves as a platform that can work with various data formats to create standardized output for print and electronic media. It must provide enough flexibility to accommodate a range of marketing messages, including graphics. And it's critical that it is user-friendly and flexible enough so that it can be used by non-IT personnel. Additionally, the software you choose should be able to support today's automated mailing sortation systems to ensure the best postal rates will apply, or can be sent through electronic channels. In this case, it pays to do your homework, as not every software has been successful in this area.

Another key feature you will want to look for is the ability to track and monitor response. This not only allows for that all-important capability of measuring the effectiveness of the campaign, but also makes it possible for positive response to the first mailing to become the trigger for a second mailing. For example, an initial mailing might ask if a bank customer is interested in receiving more information about credit cards or other bank services. A "yes," can automatically generate the second mailing with a form to fill out or direct the customer to the appropriate page at the bank's Web site. And with each round of outreach and response—or no response—the organization learns more about the customer for follow-up and subsequent promotions.

Today's digital printers can produce both black and white and full photographic-quality color images almost instantaneously and more economically than ever before. Additionally, every page can contain different text and images. Choose software that allows you to insert customized graphics like charts and graphs based on each customer's individual information that can be composed on the fly. The identical images developed for print should also have the opportunity to be delivered through e-mail.

We hear a lot of talk about the promise of TransPromo, but for many potential users, it remains only talk—only a buzzword. However, a little research will reveal that TransPromo is much more than talk. When implemented effectively, it can provide true business impact leading to a greater return on investment.