

Optimising Customer Communications

**Developing both intrinsic transactional value
and an effective cost reduction strategy**

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Cross-media communication

- Cross-media communication is communication in which the storyline will invite the receiver to cross-over from one medium to the next.
- Making it possible to transform from one-dimensional communication (sender -> receiver(s)) to multi-dimensional communication (sender(s) <-> receiver(s)).
- Good cross-media communication will enhance the value of communication: The level and depth of (message) involvement will be more personal and therefore more relevant and powerful. Advantages can be:
 1. Financial profits can be gained through equal or decreasing costs for the same or better communication effects with single medium communication. It is possible to shift costs for communicating from the sender to the receiver if the story is attractive enough for the receiver to want to interact with it.
 2. Deepening relations between story (teller) and "receivers" on several levels of communication

Customer Communications

Transaction category	Transaction system
Statement	Account statements, phone bills, and notices
Account opening	Account applications and maintenance forms
Claims processing	Claim forms for car, home, health, life, liability, theft, fire, flood, etc.
Underwriting	Applications for coverage (car, home, health, life, liability, theft, fire, flood, etc.) policies
Loan origination	Origination applications, appraisals, title insurance, and disclosure forms
Patient records	Patient records admissions, HIPAA affidavit



Customer communications - intrinsic business value

- Regular customer touch points
- Cross selling opportunities
 - Internal company products and / or external transactional products
(Trans promotional)
- Cross-media channel marketing
 - Physical mail, email, website, SMS, etc
- Increase share of “customer wallet”
 - Cost of new customer acquisition versus:
 - Cost of increasing share of existing customer

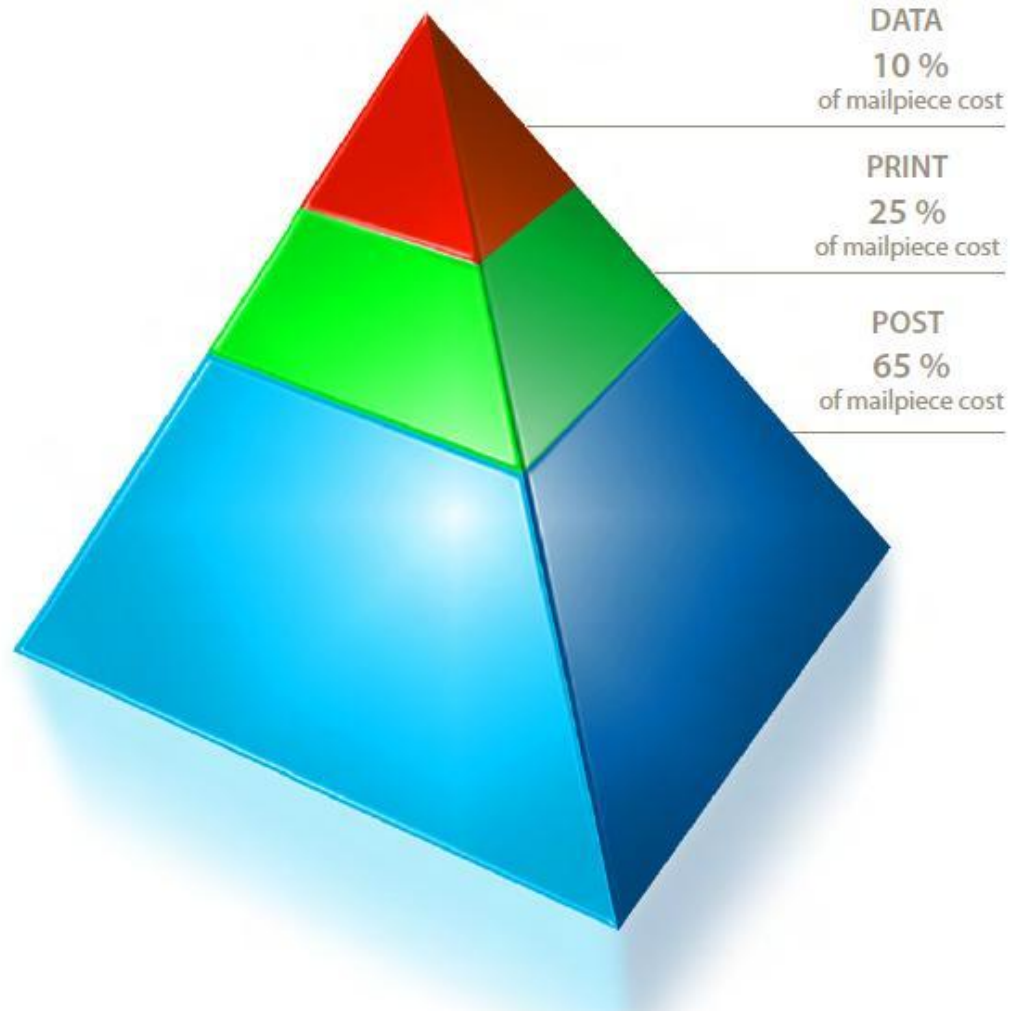


Customer communications – a process overhead

- Communication process definition
 - Business action: communication creation, production and distribution
- Communication process cost structure
 - Systems & data preparation (IS/IT)
 - Communication data integrity & communication design & layout
 - Output production:
 - Centralised or local print & enveloping
 - Electronic transfer (push and / or pull)
 - Distribution:
 - Physical mail costs both domestic and international (customer base dependent)
 - Electronic web hosting and presentment costs



Customer communication – typical share of cost



Customer communications - optimisation

- Distribution optimisation
 - Best value distribution based upon preference and key business drivers
- Channel optimisation
 - Cross-media effectiveness, relevance of media channel, adoption rates
- Production optimisation
 - Visibility, integrity and automation of processes
- Message optimisation
 - Readability, correct content, promotional content, and call to action
- Business process optimisation
 - For example, closed loop marketing campaign management



Interdependency - cost reduction and intrinsic value

- Real-time postal service selection across two or more postal services
 - Lowest cost per mailing run
 - Channel preference based on customer profile
- Adapt communication layout – both document and inserts
 - Reduce pages to lower cost of mailing each communication
 - Present communication in relevant format for channel
- Adapt channel or mix of channel for presentment
 - Reduce number of items posted, based upon adoption and preference
 - Increase effectiveness of cross-media marketing
- Adapt business process for visibility, integrity and change
 - Measure effectiveness of process change
 - React effectively to changing preferences and market or business drivers



Customer communication real-time postal selection

- Real time channel preference based on customer profile
 - E-delivery
 - Multiple postal service / carrier selection
 - Priority / 1st Class mail
 - Business / 2nd Class mail
 - Secure signed for service
- Real time lowest cost per mailing run
 - Consolidation
 - Joint Enveloping
 - Optimisation to mail piece level
 - customer specific pricing
 - geographic spread
 - weight / size



A utility with 5 million customers converts 20% of its bills from paper to electronic....

- Paper-based savings of 235 metric tons of CO₂, which is equivalent per year of:
 - 43 passenger vehicles
 - 31 homes annual electricity use
 - 54 acres of pine or fir forest sequestered
 - 9,811 propane cylinders used for home barbeques
 - 1 railcar of coal burned
 - 81 metric tons waste recycled instead of land filled
- This also corresponds to ...
 - 18 million sheets of paper not printed
 - 26,764 gallons (101,166 litres) of gasoline / petrol
 - 7 million gallons (26 million litres) of waste water



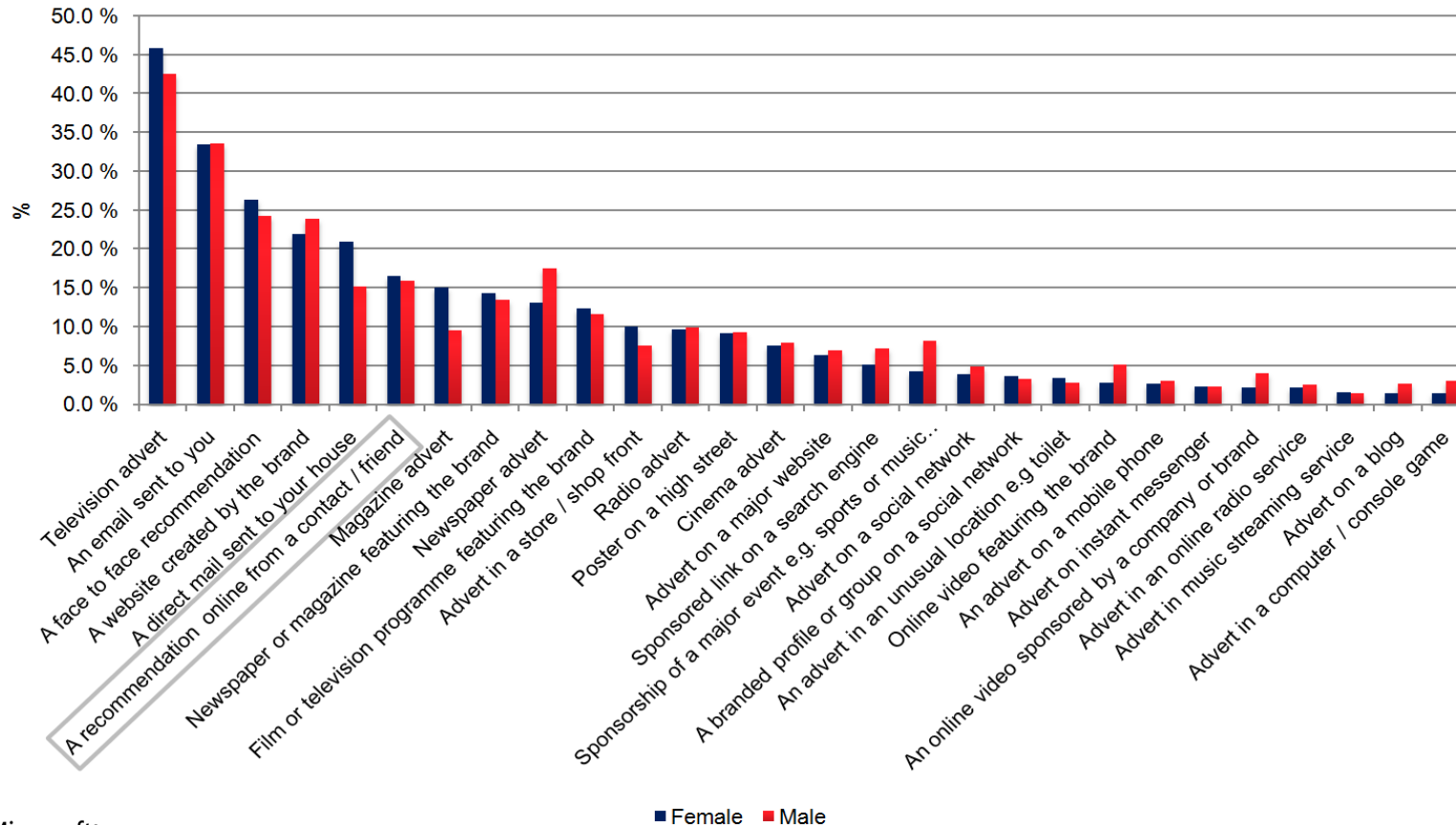
Adapt customer communication layout

- Reduce pages to lower cost of mailing each communication
 - Multiple columns to increase transactions / text per side to reduce the overall number of physical pages in a mail piece
 - Double sided printing to reduce the overall number of physical pages in a mail piece
 - Insert / on-board message weight management to reduce overall weight of mail piece
- Present communication in relevant format for channel
 - Paper layout to ensure ease of readability for the media
 - PC Web layout for ease of interaction for the media
 - Mobile Web layout for ease of call to action for the media
 - SMS for instant notices



Choice in a wide Channel mix

Which types of brand communication are most likely to keep you informed about the product?



Adapt customer communication channel mix

- Reduce number of items posted, based upon adoption and preference
 - Paper channel for:
 - Business compliance
 - Usability / acceptability of age group
 - Electronic channel for:
 - Reminders
 - Call to action
 - Historical information (Statements)
 - Direct Debit bills
- Increase effectiveness of cross-media communications
 - Mixed channels
 - Sales conversion: Email, web & posted catalogue
 - Cross selling: trans-promotional advertising
 - Business process efficiency: Web self service & posted confirmation



Adapt business process for visibility, integrity & change

- Measure effectiveness of process change
 - Continuous improvement
 - Cost reduction
 - Control, visibility, transparency
 - Governance, control
- React effectively to changing preferences and market or business drivers
 - Reduction of process cycle times
 - Improved customer services
 - Reduction in operational risk



Conclusion for optimising customer communications

- Right information, right time, right channel
 - According to the preference and needs of your customers, you can provide them with the right information at the right time, using the channel of their choice.
 - Have the ability to rapidly respond to changes in regulations and market conditions – achieving faster time to market for new products and services.
- Deliver a rapid return
 - Significantly changes the economics of communicating with your end customers – reducing costs while enabling improvement to the quality of service.
- Enables advanced personalisation
 - Constantly learn from every interaction with your customers to better target and tailor future communications.
 - By capturing intelligence on customer responsiveness to different channels and messages, you can increase the level of personalisation – and, ultimately, continuously improve the performance of communications.



Questions



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