

White paper



Customer Engagement

Print and Digital Communications Management

High-value print communications

Transform customer relationships using color,
variable data and digital-print innovation.



Customers still expect and respond to printed communications.

To paraphrase Mark Twain, reports of print's death have been greatly exaggerated. With paperless adoption stalled, printed customer communications still have a vital role to play. In fact, more is expected of them than ever before.

Consumers expect full color and personalized messages. They also demand more convenience and greater value with every communication. In response, leading organizations are transitioning to high-value print communications that create new opportunities to drive revenues and strengthen customer relationships.



Two-thirds of bills and statements sent to U.S. customers in 2018 will be paper-based.

Source: Insights into the Transactional Communications Market, InfoTrends, 2015

You've got mail.

In recent years, technology has created many new and cost-efficient ways for organizations to communicate with their customers, but none has replaced the mailbox. Despite a general fascination with all things digital, consumers have been surprisingly reluctant to switch from paper bills and statements to electronic delivery. As a result, many organizations are still creating communications the old-fashioned way, using monochrome printers, color shells and decades-old proprietary applications. Because they lack the capabilities for personalization and multi-channel delivery that consumers expect, these organizations are missing opportunities to drive revenue and make their communications more relevant and engaging.

Successful organizations will build on the value of print communications while enabling electronic delivery to those customers that want it. Fortunately, innovations in color print production offer a path forward, translating and colorizing legacy communications, creating new opportunities for personalization and supporting multichannel delivery.

The paperless promise has yet to deliver.

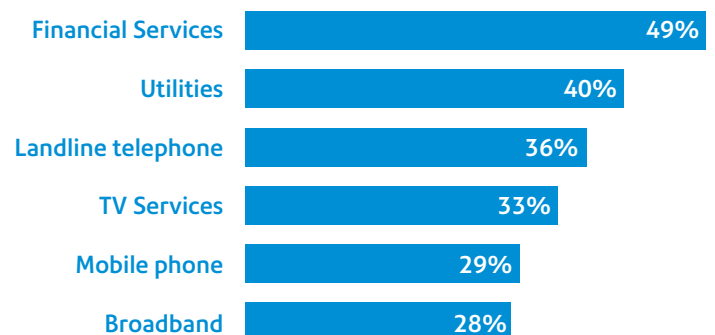
Although slowly gaining traction, paperless adoption levels have consistently fallen far short of expectations. Results of an annual survey by InfoTrends show only a modest increase (from 18 percent to 24 percent) in adoption from 2010 to 2015, versus a projected increase to 38 percent.¹ In their enthusiasm to promote paperless adoption, billers may have misjudged customer preferences and motivations.

Customers expect choice, and many choose print.

The majority of consumers continue to demand mail delivery, even when they are also receiving bills electronically. Most say they want to have a hard copy for their tax filings or other records. Others use the paper bill as a reminder to make a payment, and some value a paper bill as a security precaution. But whatever the reasons for their loyalty to paper, one thing is clear: consumers demand choice and convenience. Those who are comfortable in a multichannel world do not want to be limited to a single delivery channel.

Industry experts forecast that 15.5 billion paper-based transactional communications will be delivered in the U.S. alone in 2019.² More than 75 percent of consumers continue to receive printed bills and statements via physical mail,³ and print continues to represent nearly 30 percent of the overall communications spend for 2016.⁴

Consumer preference for printed bills and statements



Source: Reading from paper or reading from screens. What do consumers prefer? Toluna, 2015

¹ Transactional Communications and Payments State of the Market, InfoTrends, 2015

² U.S. Transactional Communications Delivery Forecast: 2014-2019, InfoTrends, 2015

³ Transactional Communications and Payments State of the Market, InfoTrends, 2015

⁴ Targeted Marketing's Media Usage Survey, 2016

The growing importance of color

Because bills and statements are so vital to the revenue stream, organizations are constantly looking for ways to make them more impactful and effective. One of the easiest and most powerful strategies is adding color.

Yet, many organizations continue to create color communications in a two-step process that involves pre-printing full color shells on offset presses, then imprinting them with customer data on black-and-white digital printers. This generates additional expenses, including storage, obsolescence and waste. These costs have been considered an unavoidable and a reasonable trade-off for the added impact of color, but now all of that is changing.

Making the two-step obsolete

Today, a new generation of advanced color production printers and mailing systems is transforming customer communications. Inkjet technology rivals the appearance of offset printing. Plain white paper is replacing pre-printed shells. Sophisticated data management and analytics are enabling new levels of personalization with real-time relevance. Innovative output management solutions combine print with digital communications for multi-channel engagement. Together, these advances provide opportunities for cost savings, greater efficiency and deeper engagement.

This is all happening at a time when many of the old black and white production printers, and the applications developed to run on them, are reaching the end of their lifecycles. With limited capabilities for data integration and high inventory management costs, the old two-step process is rapidly becoming obsolete.

Achieving more with less

Demand for digital color print is also growing as organizations strive to accomplish more with their customer communications. They want more color for greater impact and a consistent brand experience across channels. They need more opportunities for personalization. They expect greater flexibility, speed and an efficient, data-driven process. The latest print technologies let them achieve all of this at a lower cost.

FACT:
78 percent of organizations that have done so say they have benefited from adding variable color print to their bills and statements.

Source: Customer Communications Business Survey, InfoTrends, 2014

Managing migration issues

Organizations are eager to leverage all of these new capabilities by switching to high-speed digital color printing, but there's a problem. The applications designed to run on monochrome printers lack flexibility. They're often unable to take advantage of the advanced capabilities offered by today's high-speed color production systems.

Most legacy applications also contain embedded business logic, standards and processing rules that make the cost of replacement or modification prohibitive.

There is a need for an efficient, cost-effective strategy to:

- Migrate legacy communications from simple black-and-white to color. (This often means managing both monochrome and full-color print environments simultaneously through the transition.)
- Add value to print communications with personalization and connection to a wide range of digital solutions.
- Support multichannel delivery.

Extending the life of legacy applications

Fortunately, there's a surprisingly simple way to get over these hurdles, without the need for long, expensive reprogramming projects. Today's output management systems provide "any job to any printer" flexibility. By translating common input print streams and outputting them as either printer-specific page description languages (PDLs) or electronic formats, this will free print operations from proprietary architectures and provide superior operational control.

Enriching documents with ease

Once the first step of translating page languages is complete, it's possible to enrich documents. Real-time document re-engineering optimizes communications by making content- and production-related changes right within the print stream, immediately before printing.

The result is a modified and enriched print stream, ready to leverage the full capabilities of today's high-speed production color printers, inserters and mailing systems.

Color impressions continue to build.

The number of color transactional impressions in the U.S. will increase at a CAGR of 6 percent through 2019.

Source: U.S. Digital Production Printing Application Forecast: 2014-2019, InfoTrends, Nov 2015

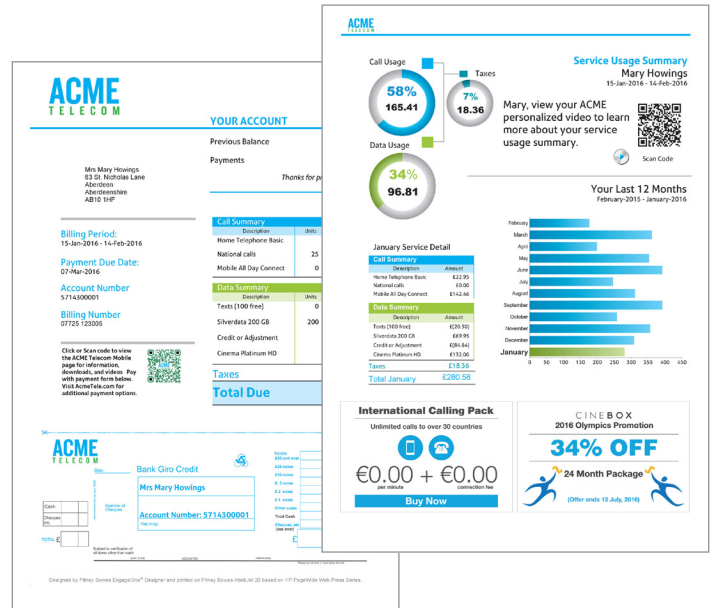
Adding value to print communications

Today's high-speed production inkjet systems are transforming routine bills and statements into engaging, personalized interactions. They are making it possible for marketers to achieve two seemingly incompatible goals: Reducing costs while improving the customer experience. How is this possible?

Customizing print with customer data

Because they will be able to print a new image on every sheet, rather than reproducing one image over and over again as offset printers do, it's possible to achieve a high level of personalization at an affordable cost. Marketers can will have the ability to pull in disparate data from customer profiles, CRMs, location or demographic data and even third-party sources to fill unused white space with timely messages and highly relevant offers. It all happens quickly and seamlessly, in one end-to-end process. The result is a unique communication, enriched with colorful graphics and text, and created expressly for each individual.

Combining transactional communications with promotional messages in this way is an exceptionally powerful and cost-effective strategy. These mixed communications deliver higher response rates, lower cost per lead and a higher return on investment than ordinary direct mail.



First, these communications reach a “captive” audience. Consumers open 95 percent of their bills and statements⁵, and they spend three to five minutes reading each one.⁶ Secondly, they deliver customized messages, based on data-driven insights, that deepen engagement and create new revenue opportunities.

Consolidating jobs

Digital color print makes merging jobs simple. By doing so, it's possible to gain production efficiencies and take advantage of greater presort postage discounts.

Supporting digital delivery

Yet another advantage of digital print is the ease with which documents are converted for distribution across channels. Creation of PDFs can be automated by the output management system. The finished documents are made available for customers to download, automatically archived for on-demand retrieval by customer service staff, or integrated into a multi-channel campaign. This capability will become even more important as e-adoption rates continue to grow.

FACT:
Print-only distribution of bills and statements will decline 17 percent from 2013-2018, while electronic-only distribution will increase by 13 percent.

Source: The Value of Customer Communications 2013-2018, InfoTrends, 2015

⁵ The Future of Multi-Channel Transactional Communications in the US”, InfoTrends, 2013

⁶ “Transactional Communications Market Survey 2015”, InfoTrends/DST

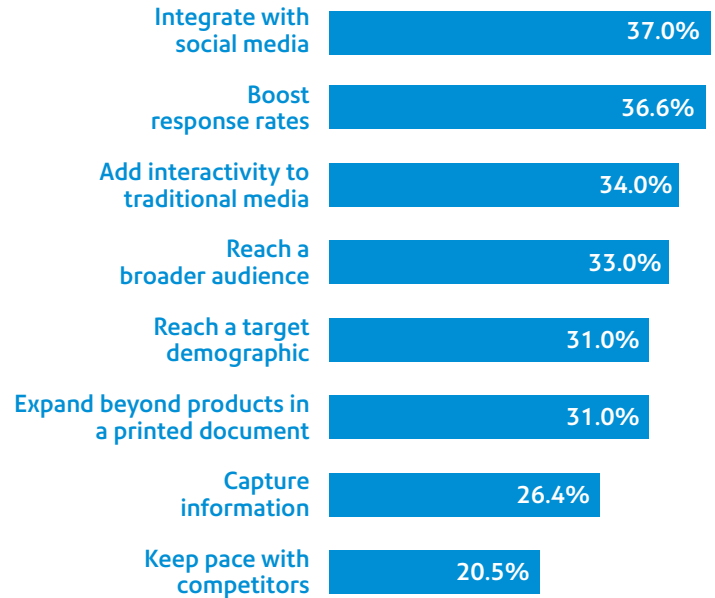
Integrating print with online channels

Not long ago, the only way to drive consumers to the web from print communications was with a printed URL. The generic "Visit us at www.ourcompany.com" requires recipients to take action. They must go online and type in the URL to get more information or take advantage of an offer. This "one size fits all" approach isn't particularly compelling, and there is a delay built into the process. Worse yet, it is difficult, if not impossible to personalize.

While print is still effective, campaigns that leverage a combination of print and digital channels such as email, social media and mobile apps achieve even higher response rates. Research shows that the average response rate for print-only campaigns was 7.4 percent, versus a 9.5 percent for multi-channel campaigns.⁷

Modern consumers are interacting with more channels, platforms and devices than ever before. And marketers are discovering innovative ways to combine print with powerful new technologies, to deliver extraordinarily impactful experiences that go beyond the printed page. Fortunately, there are a number of ways print and digital work together for better performance.

Top reasons for blending print and digital media



Source: Micro to Mega: Trends in Business Communications, InfoTrends 2015. Survey of 303 enterprise respondents who combined print and digital media within the last year.



⁷ Micro to Mega: Trends in Business Communications, InfoTrends Enterprise Survey, 2015

Four innovative ways to combine print and digital

01. Add QR Codes.

The QR (Quick Response) Code eliminates the need to manually enter a URL. Consumers scan the code with a smartphone or tablet, and instantly access a mobile website, download an app or brochure, or view and respond to a special offer. Including QR Codes in your bills and statements adds a convenient way for customers to interact with your organization.

02. Get personal with PURLs.

For more sophisticated targeting and tracking, use PURLs, or personalized URLs, to direct recipients to a customized web page or mini-site that addresses the customer by name. Pre-populate with customer data and include a form or call to action. When a consumer visits their page, you'll know they've actually received and read the mailing. Then, you will have the ability to track their actions and use the resulting insights as the basis for additional one-to-one marketing campaigns.

03. Add a new dimension with augmented reality.

Space limitations have traditionally been a significant drawback of print communications. There is only so much information that can fit onto a single sheet of paper. Augmented reality is changing all that by bridging the gap between print, digital and mobile. Now it's possible to include an entire product catalog, a 3D product demonstration, or a virtual tour in one standard envelope to create uniquely engaging, memorable experiences with measurable results. Customers simply hold their smartphone or tablet in front of a printed page to view rich, engaging information on their screens.

04. Deliver one-to-one engagement with Interactive Personalized Video.

Consumers are captivated with online video: eMarketer reports that adults in the U.S. watch more than an hour each day. Now you have the ability to capitalize on this trend in a powerful new way. Interactive Personalized Video uses customer data and predictive analytics to create an interactive, two-way dialog. Imagine a bill that has the ability to explain itself, or a welcome kit that provides a complete, self-guided tour of services and benefits. The combination of print and interactive video does all that, and more.

Increase the value of your print communications.

Your organization may want to explore one or many of these innovative strategies for adding value to your customer communications. Whatever your approach, it's important to work with a solutions provider that understands, supports and optimizes the entire customer engagement process, from data management and content creation, to delivery and tracking across channels.

Choose a partner with a track record of success in driving SLA achievement; lowering the cost of print and mail; improved presentation and personalization for higher revenue and response; and fewer customer service inquiries.

Many providers offer solutions for print or mail, but the biggest benefits come from solutions that seamlessly integrate both to optimize the entire communications process.

Pitney Bowes can help.

Whether you're just considering switching from black and white or are already using variable color, Pitney Bowes has solutions that help you reduce costs, maximize efficiency and make your communications more effective and engaging. These are part of a robust family of Pitney Bowes "Communicate" solutions, designed to help businesses take their digital transformation to the next level. Each "Communicate" solution features a powerful set of capabilities that enable organizations to better communicate with customers and deliver more relevant and engaging interactions every time they interact with a brand.

For more information visit: [pitneybowes.com](https://www.pitneybowes.com)

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