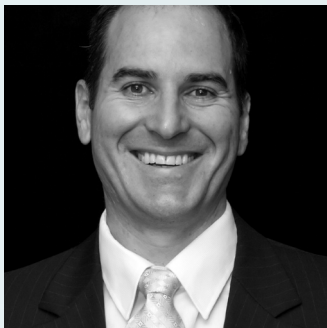


PUSHING THE ENVELOPE

Thinking about turning your mailing statement into a marketing or sales tool? In this second instalment of our two-part feature, we look at how three companies have successfully implemented transpromotional mail campaigns and the lessons that businesses can learn from them.

STORY LISA BOWMAN





The first thing that Grant Stewart of strategic marketing company Vectis – one of the experts in transpromotional mail in Australia – is quick to point out is that you don't need to be a big company with a big budget to carry out a transpromotional campaign. "It's actually a lot easier and cheaper than most people think, and it works a lot better than most expect," he says.

During his time advising Australian businesses on how best to position a promotional message alongside essential transactional information, Stewart has observed a greater number of small- and medium-sized businesses producing well-targeted and relevant transpromotional mail.

"In many cases, they have the advantage of having fewer hoops to jump through than larger companies," he says. "They can generally make decisions and get approvals more quickly and have shorter lead times for accessing customer data.

"They also have a great sense of what marketing messages might work as well as what kinds of information customers might find useful or interesting."

NINE2THREE: TAKING THE FIRST STEP

One small business about to prove that size isn't a barrier to transpromotional mailing is NSW recruitment company Nine2Three Employment Solutions, which has recently embarked on its first transpromotional campaign. The campaign uses the company's standard invoice statement to deliver marketing messages to six different-sized customer segments.

The company decided to use this medium after attending an industry event

where Stewart spoke about the benefits for businesses of this type of transactional campaign.

"He took us through the steps involved in producing an effective campaign and we realised that we were capable of doing this in-house, which was important as we didn't have the budget to get it done externally," says Kathryn MacMillan, managing director of Nine2Three.

The first task was to go through a simple strategy and planning exercise.

"We wanted to make sure that our first campaign was aligned to the strategic goals of our business," explains MacMillan. "We decided our focus would be on increasing client education and obtaining sales. Therefore, when we developed our campaign, we checked that it supported these aims and then we put in some measurable campaign metrics, such as enquiries on the service features we promoted, to ensure that we were on the right track."

Knowing what you want to achieve in your transpromotional campaign is critical, says Stewart. "Whether your goal is finding new customers or growing the value of the ones you already have, your transpromotional campaign needs to align with your organisation's business drivers," he says. "Different messages need to be tailored to different customer groups and a program needs to be put in place to support this over a six- to 12-month period.

"Of course, different factors can influence a business environment – for example, an accountant may want to update clients on recent changes to tax legislation. But a pre-planned schedule can be quite useful in keeping the program fresh and interesting while minimising the time involved in maintaining it."



"We are using MYOB to develop most of the creative elements of the transpromotional campaign."

Kathryn MacMillan, Nine2Three Employment Solutions

Nine2Three's transpromotional campaign is based around different tactical messages for various client groups, such as letting customers who have previously only hired part-time staff know that Nine2Three also places full-time and long-term employees.

"We are also keen to inform our customers who have advertised through other channels without success that we can take over their recruitment process for them," says MacMillan.

She adds that one of the advantages for Nine2Three is that the accounts department which processes large amounts of staff, is made up of employees that all have solid knowledge of the accounting platform MYOB.

"This means we can easily add messages and images into our customer statements and even create customer segments from our database," explains MacMillan. "We are using MYOB to develop most of the creative elements of the transpromotional campaign."

Nine2Three is aware of the importance of testing, even in a small campaign, to ensure that it is on the right track. "We are sending out a small test with some of our clients and will be ready to tweak if necessary."

SUTHERLAND CREDIT UNION: MUTUAL VALUE

One company well on the road to proving the marketing value of transpromotional

mail is Sutherland Credit Union, a successful financial co-operative with thousands of local and small-business customers.

Today, the credit union's quarterly statement includes not only targeted sales messages but also profiles and promotions for local businesses that are members of its Mutual Value Program (MVP) – a special program that offers customers a range of benefits and opportunities.

The ability to carry these advertisements on the statement was introduced two years ago when customer communications specialist Salmat took over the printing of the statements. The move has contributed to a significant increase in new small-business customers, according to Shawn Griffiths, head of sales and operations at Sutherland Credit Union.

"By offering members of MVP the opportunity to advertise their business or service on the statement, we're giving them excellent free publicity, which by all accounts is working well," says Griffiths. "I spoke to a local bathroom renovator who said he'd received 10 bathroom renovations after he joined MVP and was advertised on our statement. Another fishing-charter business in Botany Bay claims to have grown 10 to 15 per cent as a result of its involvement with the credit union."

Success stories such as this are common to Sutherland Credit Union, which now



These examples show how to target messages into invoices and newsletters.

STARTING POINTS

Are you considering trialling a transpromotional campaign? Grant Stewart provides a simple step-by-step process to help get you started.

- Consider the different groups of customers you have.
- Think about the different kinds of communications they receive.
- Identify the sales and education objectives you have for each group. Prioritise these objectives.
- Create a touch-point schedule with the above in mind.
- Begin testing the effectiveness of different messages with small groups.
- Use these results to refine the program then roll it out to the base.
- Constantly monitor customer feedback to improve your campaigns.



"By combining the two documents, we save on costs and make life a lot easier for ourselves."

Shawn Griffiths, Sutherland Credit Union

uses the MVP as an added incentive for businesses to open or switch their accounts to the credit union.

The decision to use transpromotional mail was made after Sutherland realised there was an opportunity to combine its statement and newsletter into a cost-effective colour document.

"By combining the two documents, we save on costs and make life a lot easier for ourselves," says Griffiths.

With the design, printing and distribution of the combined newsletter and statement outsourced, Sutherland can focus on driving the strategy and content of the mailer.

"About six weeks out from when our statement mailing is due, we develop the content and messages we want in the mail-outs," says Griffiths. Customer segments can be based on location, age or product / service use.

According to Grant Stewart, Sutherland Credit Union is a great example of a company that has successfully transformed its transactional mail from a "have to do" into a targeted marketing and customer management solution.

"The program has fundamentally changed the way Sutherland Credit Union views its transactional mail from what was once something that cost money to something that now delivers measurable value to the business," says Stewart ■

TICKETEK: PROVEN PERFORMER

Ticketek, Australia's leading ticketing partner to the sports and live entertainment industry, is another company successfully using transpromotional mail to enhance its customer experience.

Using an innovative solution called Brand Tix, Ticketek has been able to change its production process and introduce database intelligence to incorporate personalised messages, promotional offers and highly targeted advertisements into its tickets. The result is tickets that are powerful marketing tools.

Now printed as part of an A4 page, the tickets are perforated so that they can be removed to resemble a traditional ticket and the remainder of the A4 page can be used to carry personalised messages.

Brand Tix was piloted for two events held at Sydney's Acer Arena. During the trial, an advertisement was printed on the tickets promoting the chance to win a \$200 Ticketek gift voucher in return for patron feedback via a website. The promotion achieved a 23 per cent response rate, highlighting the effectiveness of the medium in driving direct response. Further to this, 98 per cent of respondents rated Brand Tix as "excellent" or "good" and 80 per cent felt it added a lot more to their event experience. Brand Tix was rolled out Australia-wide in August 2009.

"Tickets are a highly valued currency and on-ticket advertising presents an



exciting opportunity to add value to the ticket transaction and enhance the customer's experience by providing relevant and valuable offers," says Cameron Hoy, sales and marketing director at Ticketek.

While advertising is currently dedicated to Ticketek products and services, venue information and other promotional offers, the company plans to extend the program to include third-party advertising, thereby opening up an additional revenue stream.

MORE INFORMATION?

Australia Post works with industry leaders to provide customers with support in planning and implementing transpromotional campaigns. To learn more, email transpromo@auspost.com.au, visit auspost.com.au/transpromo or alternatively contact your Australia Post account manager.