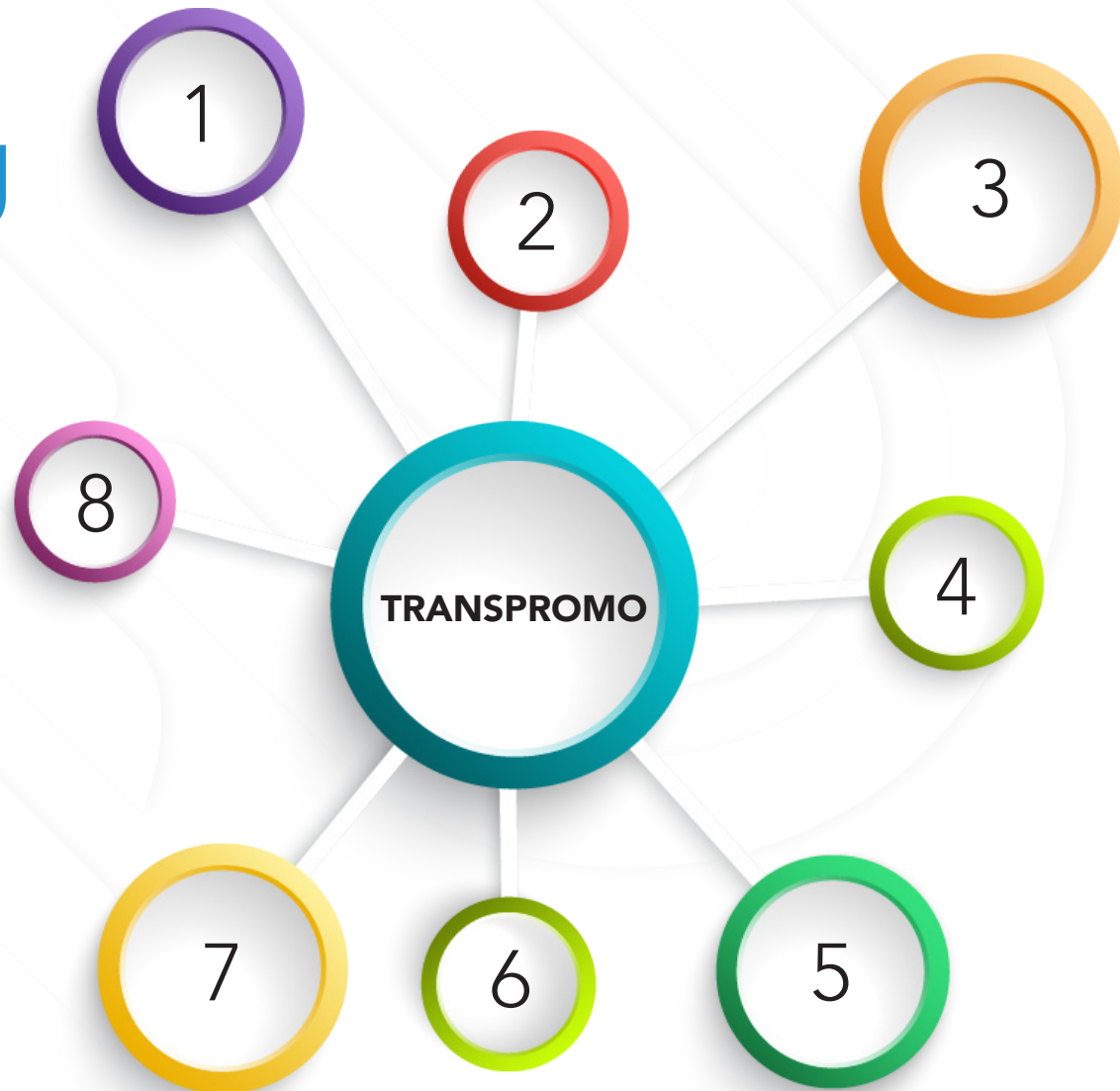


# 8 Reasons You Should Be Using Transpromo

(And How To Get Started)



## INTRODUCTION

Throughout history, businesses have thrived by finding ways to make money from the things that would otherwise cost them.

Some gas stations charge credit card users an extra ten cents per gallon to cover the fees they have to pay to credit card companies (and then some). Libraries have late fees and charges for unreturned books that exceed the cost of the book. Some large businesses sell advertising space on their website to recoup the cost of their domain and hosting.

What if someone told you that your bank could take a necessary cost center and transform it into a way to generate revenue?

Would you buy it?

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*A hybrid of “transactional” and “promotional,” Transpromo is the practice of adding highly targeted marketing messages to the statements or notices you already send to your customers.*



## ENTER TRANSPROMO

Though it's been around for more than 30 years, Transpromo didn't really take off until around 2007, as big data became more accessible and marketers began to shift their efforts toward relationship-building.

Even so, many businesses still haven't been using Transpromo to its full potential. That's why we've decided to share this white paper – to help demonstrate the value that Transpromo can bring to your bank or credit union.

First, we'll cover eight reasons you should consider adding Transpromo to your marketing plan. Then, as a bonus, we'll give you five simple steps to developing (and launching) your Transpromo strategy.

## PART 1 – 8 REASONS TO START USING TRANSPROMO NOW

As access to data expands and consumers demand more relevant experiences, marketers, executives, and operations professionals alike have reason to celebrate Transpromo. Here's why:

### 1. It can turn a cost center into a revenue-generator.

Pardon us for stating the obvious, but printing and mailing customer statements isn't cheap; and even though many financial institutions have moved toward e-statements, there's still a cost associated with the software used to build and deliver online statements.

Think about an investor who is looking for a new place to live. He could buy a house and pay the mortgage himself; or he could buy a duplex, rent out one side, and charge enough to cover most, if not all, of the monthly mortgage payment.

For operations and IT, Transpromo is much like buying a duplex and leasing half to your marketing department.

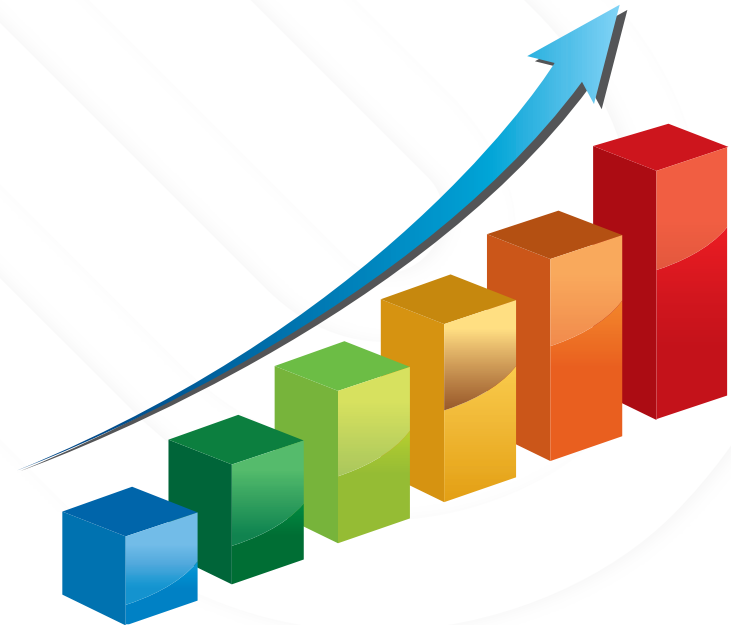
There are a different ways you can use Transpromo to help generate additional revenue, depending on your objectives:

**Advertising** – Focused on cross-selling and/or upselling existing customers with products or services that are relevant to them.

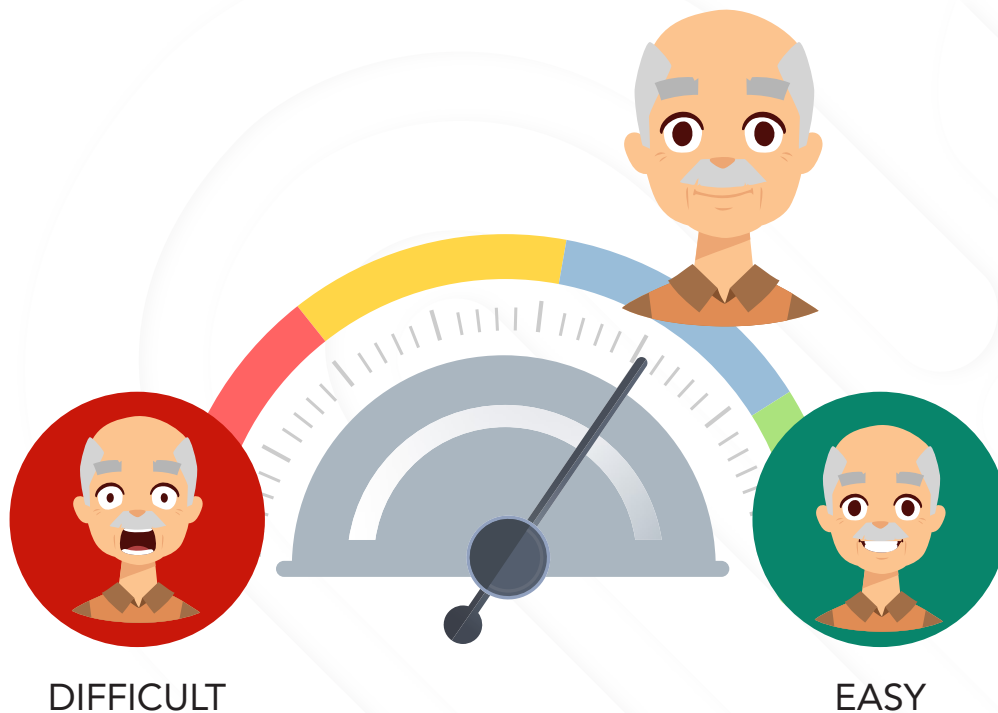
**Content Marketing** – Focused on creating more human experiences for loyal customers and strengthening their relationship with your bank or credit union.

Whatever your objectives, Transpromo provides a unique opportunity to turn transactional documents into revenue.

*Regardless of how your statements are delivered to your customers, it makes sense to take advantage of white space on these documents to recover some of those costs.*



*When it comes to new technologies, it's natural to ask: "How difficult will it be to adopt \_\_\_\_\_?"*



## 2. It's not too complicated.

The beauty of Transpromo is that it isn't nearly as complicated as it sounds. Transpromo relies on variable data printing (VDP) – the same technology that statement vendors are already using to print the correct names and numbers on each statement. Keeping this in mind, it's a little less intimidating.

**So what exactly goes into it?** That depends on how your statement processing needs are handled already. If you work with a vendor, implementing Transpromo will simply include a few extra steps:

- First, you'll work with your vendor to lay out your goals and develop a strategy, which we'll cover in the next section.
- Second, your vendor will need some additional programming time needed to set up the Transpromo documents to fit your needs, but the printing or e-delivery process will stay the same. Pretty simple, right?

If you process statements internally, your IT department should be able to help you get set up with Transpromo. To make things easier, there are different software programs and robust training options available online.

*Because of the intense personalization of statement-based marketing, it can be easy to track the success of your campaigns.*



### 3. It can be easily tracked.

Many marketers avoid print because they think it is too difficult to track its effectiveness. Lucky for you, that's not the case.

In fact, there are several ways to gather metrics on Transpromo (which could also be applied toward any form of print marketing):

**Custom URLs (Vanity URL)** – Paired with Google Analytics, a vanity URL is one of the easiest ways to measure the effectiveness of a print campaign. A vanity URL refers to a web address that would be used specifically for a Transpromo campaign – either leading recipients to a landing page, or redirecting to an existing page on your website. You can use vanity URLs to measure the number of people who visit that page, click-through to other pages, and ultimately convert into customers.

**Personalized URLs (pURLs)** – pURLs serve a similar purpose as vanity URLs, but they offer more customization and specific tracking capabilities. A pURL will most often include the recipient's name (e.g. yourdomain.com/rsmith), and will lead to a landing page that is tailored for the recipient – and directly trackable. Since each pURL is unique, you can use Google Analytics to see which recipient's visited their pURL, as well as the action taken by each after they visit the page (i.e. did they click through or leave without doing anything?).

**Promo Codes** – Promo codes have been used for decades to track the effectiveness of advertising in print, radio, television, and – more recently – online. They are most commonly used by retailers, but banks or credit unions can use them to provide incentives and track those who respond to your Transpromo message online.

**Call Tracking/Custom Phone Numbers** – This usually requires a separate investment, but there are many services that provide call tracking or custom phone numbers. Call tracking means that different marketing campaigns or mediums will have distinct phone numbers, which are all routed back to your main phone number. You can assign a phone number to a certain campaign, and then see how many times different people called that number – which makes it easy to attribute that response to the assigned campaign.

**Product/Service Sales** – It's true that an increase in sales isn't always directly tied to a print advertising campaign. However, if you promote a certain line of products in a Transpromo campaign and notice a boost in sales shortly following, it's safe to give Transpromo some attribution. Just keep in mind: if you're trying different channels all at once, be sure to give each channel its own tool for measurement, so you will know what really works.

**The takeaway:** Transpromo isn't all that difficult to measure. New technology and a little creativity can make it very simple to see if your Transpromo messages are working and – most importantly – if they aren't.





*Money spent on sending the wrong message to the wrong people is money wasted.*



#### 4. It's completely relevant.

Take another look at our definition of Transpromo. Which two words stand out? Hopefully you answered "highly targeted."

Good Transpromo messages don't rely on the spray-and-pray method employed by many traditional marketing tactics, but should instead be tailored for each recipient based on data; that is, customer demographics, psychographics, and buying habits, as well as the products or services a customer is currently using from your bank or credit union.

And for good reason. Highly targeted Transpromo messages can help accomplish two things:

**Please/appeal to the recipient.** One of the most common complaints we hear about direct mail is that it is often not relevant to the recipient, which makes it a nuisance. In the age of big data, consumers don't just expect personalization, they demand it.

**Get the most for your money.** We'll talk more in-depth about the cost-effectiveness of Transpromo in bit, but it's important to note here, too. Money spent on sending the wrong message to the wrong people is money wasted. Instead, Transpromo can help you spend your money reaching out to the people who can, and are most likely to, use your products or services.



### 5. It adds a human element to transactional documents.

Not surprisingly, many transactional documents can be a little... lackluster.

For most, monthly statements are typewriter text, lines and lines of transactions, and confusing legal notices. There is little on those white sheets of paper that evokes a warm-fuzzy feeling.

That's the difference Transpromo can make, if done right. Transpromo forces marketers, operations leaders, and IT to all focus on the human at the other end of each transaction. Recognizing that your existing customers are people with lives and feelings of their own, you can create a new customer experience that doesn't just interest your customers, but delights them.

According to Entrepreneur, 2014 was "The Year of the Story."<sup>1</sup> The reason this is meaningful? Storytelling is the ultimate humanization of marketing, and it has taken over what we know as traditional marketing. Consumers don't just want to know about the technical capabilities or legal savvy of the banks or credit unions they entrust their money to. They are interested in learning about the people, and their stories, who have driven the business to where it is today.

**It's important to remember that correspondence with customers (marketing included) is no longer B2B or B2C, but H2H: Human to Human. Done right, Transpromo can appeal to both.**

*Transpromo forces marketers, operations leaders, and IT to all focus on the human at the other end of each transaction.*



*Depending on your statement processing vendor, the extra services could cost pennies for each customer – no doubt an inexpensive alternative to other advertising tactics.*



#### 6. It's cost effective.

For budget-conscious departments, this point could be the most exciting: Transpromo is a very cost-effective way to market to your existing customers.

Of course, there will be *some* costs associated with Transpromo. For e-statements, there may be extra fees for the images and/or design that are used in the advertisements. For printed statements, extra costs might come in the form of design time for ads, programming needed to print the correct artwork on each statement, and additional pages needed to fit the Transpromo messages.

Depending on your statement processing vendor, the extra services could cost pennies for each customer – no doubt an inexpensive alternative to other advertising tactics.

Of course, that's not to say that Transpromo should stand alone or replace other tactics altogether. While it might be tempting to drop your other marketing efforts for a cheaper option, think strategically about your campaign before you make any decisions.

#### **Think back to our investor analogy on page 4:**

A smart investor wouldn't expect to get rich quick just from renting half of his home, but would use the duplex as one of many strategic investments. In the same way, Transpromo should be just one part of an integrated (and consistent) campaign to retain and strengthen relationships with existing customers.

*In 2017, the USPS will reward financial institutions (and others) for using Transpromo on statements that are printed in color and mailed to customers.*

#### **7. The USPS rewards people for using it.**

That's right. This whole time we've been talking about Transpromo and we haven't even mentioned that you could get incentives from the US Postal Service to use it.

Each year, the USPS offers incentives to encourage printers and mailers to use certain new technologies that help keep mail relevant and fresh. In 2017, the USPS is rewarding financial institutions (and others) for using Transpromo on statements that are printed in color and mailed to customers.<sup>2</sup>

The reward comes in the form of a 2% postage discount, and has a strict criteria.

The registration period starts May 15, 2017, so ask your statement vendor about it right away. Mail sent during July 1 and December 31, 2017 will qualify for the discount.



*Statements provide a highly-visible canvas for you to advertise new products or services, to cross-sell existing customers, and to use content marketing.*

#### 8. It works.

Did you know that up to 95% of recipients open and read their transactional documents? Or that they spend between three and five minutes reading each one?<sup>3</sup>

Did you also know that the probability of selling to your existing customers is 60-70%, while the probability of selling to new customers is 5-20%?<sup>4</sup>

Simply put, Transpromo has everything working in your favor.

Statements provide a highly-visible canvas for you to advertise new products or services, to cross-sell existing customers, and to use content marketing to improve relationships with those customers. And those efforts are statistically more likely to increase revenue than courting a different audience altogether.

**So what do you say? Is it time to start making money from your statements?**



*Now that you're sure Transpromo works, it's time to start developing your strategy.*

## **PART 2 – 5 STEPS TO CREATE YOUR TRANSPROMO STRATEGY**

Now that you're sure Transpromo works, it's time to start developing your strategy. If possible, try to involve people from your marketing department, operational teams, and IT teams in the process, so everyone can see how decisions are made and what type of work/investment will go into Transpromo. This will help keep your strategy on track in the future.

### **1. First, talk to your printer.**

Ask your statement processing vendor about their Transpromo capabilities. Then work with them to develop a process that fits your needs.

Your vendor should be able to guide you on Transpromo best practices, how much space you can use for your advertisements/messages, and how to get the data you'll need for a successful campaign.

If you ask and they stare blankly, consider looking for a vendor who understands Transpromo and how it can work for you.



*As with any marketing, objectives are a critical part of planning your Transpromo campaigns.*



## 2. Determine your objectives.

What do you hope to achieve using Transpromo?  
Which products or service lines do you want to build?

As with any other marketing channels, objectives are a critical part of planning your Transpromo campaigns. Your objectives will drive your audience(s), message(s), and definition of success, so they need to be well-defined, specific, and measurable. For example:

- To increase the number of customers who hold both a savings and a checking account with your financial institution by 20%.
- To increase mortgage loans to customers with existing savings accounts by 10%.
- To convince at least 30% of existing customers to sign up for your new email newsletter.
- To achieve 25% engagement from existing customers with an interactive infographic

Of course, your objectives will be specific to your organizational goals and specific services offered, but any objectives you set for your Transpromo campaigns should be focused on existing customers.

*Your vendor should have access to data that will supplement what you already know about your customers.*

### 3. Look at your data.

What kinds of data do you have about your customers?  
What data do you have access to through your vendors?

While you likely have transactional data about your customers, your vendor should have access to data that will supplement what you already know. This could include: household income, marital/familial status, employment status, assets (including homes, vehicles, boats or lackthereof), spending habits, and more.

Think about the data you need to achieve your objectives, For example, if you want to sell existing customers on one of your low interest mortgage, you might look first at the customers who have a savings account with you. Have they graduated from college? Do they hold their mortgage through a different lender? Do they qualify for refinancing?





#### 4. Segment your audience.

Once you understand what data you have access to, use this data to divide your audience into like-minded groups. You may have some customers that fit into more than one group, but try to segment them as much as you can, based on the objectives you hope to achieve.

Some ways to segment your existing customers include:

- Online shoppers vs. in-store
- Mobile banking users vs. non-mobile
- Printed statements vs. e-statements (if customers have a choice)
- Savers vs. spenders
- Interactions with customer service team (Dissatisfied vs. satisfied customers)
- Long-time (loyal) customers vs. new customers
- Nearing retirement age
- With children nearing college
- With children nearing driving age
- Starting college or in college
- Newlyweds
- New homeowners
- Soon-to-be homeowners
- New parents
- Multiple mortgages
- Multiple cars

**Once your audience is segmented, then you can start thinking about what might appeal to each group, which brings us to our next point...**

*Once your audience is segmented, you can start thinking about what might appeal to each group.*



*Your vendor should have access to data that supplements what you already know about your customers.*



#### 5. Determine your message(s) for each audience.

As you're working on your messages, consider a couple of key points:

**Be personal** – Take advantage of the extreme customization that Transpromo offers. Be sure to use your segmentation to create separate messages to appeal to each group of your audience. It's nice to include a person's name in your message to them, but personalization should go further than that.

**Try different things** – Keep in mind that Transpromo messages don't have to be explicitly promotional. The space gives content marketers an opportunity to share relevant, useful information with current customers, to continue building a relationship and establish trust.

**Don't forget an offer** – The best way to hold your audience's attention is to create some sort of offer for them. As is true with any other marketing, it's important that your Transpromo message shows value to customers; the promise of "what's in it for me?" is what will drive people to act on it.

Once you've established your objectives, audience(s), and message(s), then you can work with your creative team to develop specific copy and design to include on your transactional documents – but only AFTER you've put the work into developing a strategy.

***Taking the time to think through the tough questions at the beginning of the process will result in more cohesive Transpromo campaigns and, ultimately, greater response rates.***

*Transpromo presents a huge opportunity for financial institutions of all sizes to educate existing customers.*

## ARE YOU A BELIEVER YET?

There you have it. We've made the case for Transpromo and given you some practical steps to get started using it. Transpromo presents a huge opportunity for financial institutions of all sizes to educate existing customers about additional products and services, and to build loyalty from those who use one or two services. And it's not too difficult – or expensive – to implement.

So go on, get out there and turn that cost center into a profit center!

If you're already using Transpromo, we want to know what you're doing and how it has worked for you. Drop us a line at [extendyourreach@extendyourreach.com](mailto:extendyourreach@extendyourreach.com).



## TALK TO US.

Whether you're ready to start planning your next campaign or just want to know more about what we do, we'd love to hear from you.

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