How to lower costs and maximize opportunities

Executive Summary

Businesses worldwide are increasingly communicating to customers through proprietary websites and email—a trend that has accelerated as organizations embrace the possibilities presented by the growth in consumer Internet use.

Yet, this proliferation of proprietary modes of communication has created a veritable maze of user names and passwords, proprietary processes and procedures. Online communications and transactions are increasing, but consumers prefer to keep their channel options open. In 2009, for example, U.S. organizations sent more than 170 billion mailpieces—clearly demonstrating mail’s continued importance in the communications mix—while mobile, texting and tweeting options are further complicating an already complex communications challenge.

Where are the opportunities for simplifying the communications processes for businesses and consumers alike? How can this be done without ratcheting up business expense—or cutting down on a consumer’s channel options? Are there ways to leverage existing communications streams to improve mail and digital delivery?

Industry leaders are taking a closer look at the channels and challenges inherent in today’s delivery systems. What they have discovered is a new alternative for streamlining production, preserving customer choice, and increasing the efficiency of communicating using physical and digital mail.

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Organizations cite many facts that support their ongoing drive to digitize correspondence and transactions. Two of these stand out:

Consumers who pay bills online often use more services than the average customer, with a strong correlation between online bill payment and consumer loyalty.¹

Despite the significantly higher costs associated with paper-based delivery, only 15% - 20% of mail is delivered electronically.²

Over the past decade, the push for digital communications has come with the promise of greater share of wallet, improved customer loyalty and production savings of 70 to 90 percent, so it is no surprise that many businesses have tried to increase the speed of digital adoption. Recent marketing campaigns and drive-to-Web initiatives include efforts to:

• Expound the perceived ecological virtues of “going green” and reducing paper consumption.
• Offer economic incentives for conducting more business online.
• Impose fees on consumers who persist on favoring more costly forms of transaction and communication.

Yet, none of these efforts has generated the traction needed to drive a wholesale change in consumer behavior.

While nearly 80% of Americans are online, organizations still sent 170 billion pieces of physical mail this past year.³

How can businesses better satisfy the dual demands of customer choice and customer service in an increasingly complex multichannel world? How do they maintain and grow their brand identity in today’s crowded digital space in the process? And how do they provide consumers with a digital experience that compels them to transition faster to more business-friendly digital channels?

Instead of trying to persuade consumers to switch from one channel to another, many organizations are taking a new approach—one that makes it easier for them to manage customer communications across multiple channels.

This new era of multichannel management looks to capitalize on existing technology to streamline communication workflows, reduce costs, increase efficiencies and better support customer choice.

The goal is to get the right messages to the right customers at the right time using the right channels. At the same time, businesses need to ensure that they do so at the lowest possible cost, with the highest possible integrity and impact. In trying to strike this balance, businesses have faced two particular challenges:

• The rapid proliferation of new channels weighs heavily on company resources. Without an efficient way to add new channels to the mix, businesses must either spread current funding more thinly across more options or increase budgets. These are tough choices, particularly in difficult economic times.
• While businesses are accustomed to having the USPS deliver their physical mail, there has been a do-it-yourself mentality around electronic delivery. The focus on development and use of proprietary sites, for example, is costly. It is also challenging to the consumers who must visit multiple sites, recall multiple unique user names and passwords, and navigate different sites’ formats in order to communicate/transact with various businesses.

A simpler, more consistent process for creating, managing and delivering communications is becoming increasingly important—and many companies are now discovering that they can capitalize on their existing infrastructure and capabilities to simplify how they meet customer preferences across multiple channels.

Looking upstream: The automated document factory

In many cases today, high-volume mailers have configured automated document factories (ADFs) to produce their mail; these ADFs are essentially creating communications in a digital environment, then printing and mailing them. Today’s ADFs even have advanced capabilities for creating digital variable print, which enable the creation of one-to-one as well as one-to-many communications. High degrees of personalization are possible, as are myriad opportunities for
branding and customized messaging. Almost all ADFs already deal with customer communications digitally in the form of print streams—streams of data that operators must modify and enhance to generate printed matter. The most advanced high-volume production operations also incorporate advanced Customer Relationship Management (CRM) platforms that enable businesses to track, evaluate, and adjust content and channel to reflect what they learn.

Therein lies the potential for tremendous increases in productivity, reduced costs and, quite possibly, a way to hasten digital evolution. By using the automated document factory as the generator of all communications—paper and digital—businesses can knock down many of their channel silos. Consumers will still have a choice of how they interact and transact, but the engine that drives that choice becomes simplified—and, along with it, managing the many, many channels becomes vastly easier.

Since 2000, Pitney Bowes, a long-standing leader operating at the intersection of physical and digital communications, has provided customers with a biller-direct physical or digital delivery option. However, with the advent of consumer choice and the need for consumers to log in to multiple websites, Pitney Bowes has developed and introduced a new service that consolidates mail from multiple ADFs—all through a single sign-on.

The Volly™ secure digital deliver service—available in 2011—makes it easy for mailers to connect with customers. Now consumers can see, manage and organize their coupons, bills, statements and catalogs via a Web portal, smart phone or iPad™.

A new approach to low-cost digital delivery

By providing the first multichannel mail experience built around mailers’ needs and consumers’ lives, Pitney Bowes can help mailers achieve a host of benefits:

- **Increased productivity.** Use of single-engine production is simply more efficient. It reduces redundancies. It streamlines the production process. And, with the built-in CRM capabilities, ADFs can provide businesses with more insight, more quickly, into the relative effectiveness of different communication messages, offers, formats and timing.

- **Reduced costs.** The tremendous volumes that pass through ADFs make it possible to lower per-piece production costs and, in the case of physical mail, to reduce postage costs as well. As this new approach helps encourage customers to adopt the value and security of digital mail delivery, it can help to introduce significant per-piece savings. Beyond cost savings, organizations that can efficiently manage customer communications across multiple channels can enjoy new ways to strengthen customer relationships and improve overall profitability.

- **Electronic bill pay.** A solution that aggregates bills and statements makes processes like preparing for and paying bills easier. Pitney Bowes can help improve an organization’s cash flow and reduce payment processing overhead while improving consumer convenience.

- **Engaged customers.** The Volly service creates a dialogue. In addition to receiving bills, catalogs, applications and more,
At the same time, the Volly service replicates the role that mail plays on a day-to-day basis, so consumers can better organize, track and manage communications whether they opt for physical or digital delivery. For the first time, mailers can connect with consumers through a mutually managed engagement that offers more choice, more control and more convenience than ever before.

Greater efficiencies—available today

Pitney Bowes has a decades-old commitment to understanding electronic communications, and to helping organizations integrate their physical and digital communications to build stronger and more mutually rewarding relationships with their customers. Building on an in-depth understanding of physical mail, the Volly secure digital delivery service is a landmark innovation that takes this strategic vision to a new level.

To learn more:
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