

To manage your banks' mailstream call
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MANAGING THE MAILSTREAM

To Leverage the Home Team Advantage

While community banks face many of the same challenges their larger counterparts face, including boosting profitability and nurturing customer loyalty, these banks can also enjoy an advantage the big banks do not: a common preference among many customers and prospects to deal with a local, more personal bank. Given the direct mail communications-heavy nature of the financial services industry, your mailstream approach can make or break your next opportunity to acquire a new customer or cross-sell to another.

The mailstream is the sum of all mail, packages and documents, physical and electronic, that flows across business – to customers and back. For an industry that depends heavily on reputation and customer perceptions, optimizing the mailstream is a matter of survival. In the past, community banks could impress their clientele by treating them as friends and knowing their customers on a personal basis. However, with customers spending less time inside banks these days, alternative communications have become a more important means to securing a more personal connection with a prospect or existing customer.

According to a study by the Envelope Manufacturers Association Foundation, *“Because It’s Personal: A Study of Consumer Use and Preference For Envelopes,”* 78% of respondents said they preferred to receive bills in an envelope in the mail. This communication is an ideal opportunity to touch your customers and deepen their loyalty, whether it’s through targeted offers or information on how your institution can serve their needs even better.

Every piece of mail – whether it is a bank statement, mortgage bill, or credit application - is an opportunity to up-sell or cross-sell, to acquire new customers, or to strengthen existing relationships. Adopting relatively simple, but critical processes can positively and significantly impact the effect of your customer communications.

Conversely, a fragmented mailstream can result in lost opportunities, damaged customer relationships and a bleak bottom line. In many organizations the mailstream is cumbersome or still plagued by old methods and outdated technologies, and too reliant on multiple inflexible processes that impede business performance across the organization.

How many direct mail pieces are coming back “undeliverable as addressed” because the customer has moved? How much postage is wasted on duplicated solicitations? Many of the problems plaguing customer communications – mostly data and address quality-related – can be solved very easily.

If acquisition and retention can be enhanced by providing customers with offers relevant to their interests, and in a timely manner, banks need to determine whether they have the equipment and processes in place to implement sophisticated campaigns with the customization and personalization desired by customers. Does your bank use inserts to cross-sell specific products and services to the appropriate customers? Does the bank leverage outside business relationships to deliver customers with other targeted offers? Co-marketing with strategic partners can also help offset direct marketing costs.

The key to an optimal mailstream is not only addressing each area along the communications flow, but also ensuring that these segments work seamlessly together. Postal discount programs are another impressive way banks – of any size and mailing volume – can cut costs and boost profitability. The community bank status can be a significant advantage when striving to acquire and retain new customers. Applying best practices to your mailstream management can help turn the opportunity into profit. ■