

as an intelligent marketing device: “People are becoming more market savvy now and realise that you can get more bang for your buck. There is more understanding of the value to be got out of sending the right product via the right channel to the right customer, rather than total carpet bombing.”

Environmental considerations – reductions in the volume of paper created by direct mail – are surprisingly less important features, with respondents naming this factor as a secondary driver.

Educating the market The supply side of transpromo is very much the demand driver. All BPO suppliers take on the mantle of promoting a better understanding of the potential applications of the newly available software and the need to provide assistance in merging customers’ marketing and transactional databases. This requires liaison with a number of the customer’s departments, and the suppliers have to become the catalyst that bolts together the relevant functions within the client’s business. It is a quasi-consultancy role that requires political as well as commercial skills.

Jarrold Green, head of corporate sales at MBA Group confirms this route to market: “We are very definitely the ones driving it. It’s something we are consulting with them on, to give them the detail that’s lying underneath the skin.” Elizabeth McMahon, marketing manager at DST International, also recognises the importance of communicating the message: “We recognised there was an educational message we had to get out there about what was available and how you could use it.” The total responsibility within the client becomes blurred as the supplier is then dealing with a number of departments.

Patience is required as, to make the sale, the supplier may have to liaise with over six functions within the business – IT, marketing, finance/billing, compliance, procurement and purchasing. There will also be other stakeholders involved, usually external suppliers to the client, such as outsourced IT, print management companies and advertising agencies on the design side. This is confirmed by Andy Ruddle, sales and marketing director at Real Digital: “Because of the nature of the communications we get involved with, we will by and large be working with a greater number



Michael Herson is director of The Strategy Works, a London-based marketing consultancy specialising in original business-to-business research across Europe. Email: mherson@thestategyworks.com

of stakeholders. We end up dealing with the advertising agency as well as marketing, finance and IT departments.”

Software consultancy In fact some suppliers take the consultancy element further by offering value-added analytics, effectively manipulating client data. Through its Group 1 Software division Pitney Bowes is able to fulfil such customer requirements, following a sustained programme of acquisitions. Tony Edwards, general manager for Pitney Bowes’ UK Document Solutions Centres, explains: “It was a clear, deliberate decision by Pitney Bowes to acquire the best of breed in that space, purely and simply because an integrated offering is far more seamless and adds far greater value to an organisation moving forward.” Gurdev Singh, managing director at Howitt, confirms the importance of data analytics: “It’s the ability of our programmes and software development and data analytics people that makes the difference. It’s actually being able to work with the client first as a consultant.”

Those that have not made acquisitions seek strategic partnerships because it is technically difficult to supply all the services required under one roof. Some suppliers have their own proprietary software and others deploy commercially available software. Ninety-one percent of suppliers said that they are providing assistance to their customers in merging marketing and transactional databases, so selecting the right software is clearly a critical component of the mix.

There is a growing market realisation that transpromo is more complex than a print solution alone, integrating as it does printing, data management, marketing and design. Mark Lee, business development manager at RR Donnelley Global Document Solutions: “The main way our print solution encourages use of transpromo is by saying it’s not a print solution. We are a delivery solution.”

For a supplier to maintain credibility in this market it is very important to have a fully

“There is a growing market realisation that transpromo is more complex than a print solution alone”

TACT Manufacturing

Jenkins Goods Ltd
Unit 7 Boldero Industrial Estate
Berkshire Close,
London
NW1 5QH

Customer Details
0800 000000 | 0800 000000
New Reference: 000000
Invoice Date: 17th January 2008
Invoice: 123456789

Customer Details
0800 000000 | 0800 000000
New Reference: 000000
Invoice Date: 17th January 2008
Invoice: 123456789

Goods Delivered
Items Delivered between Jan 2008 - March 2008

Item Code	No.	Description	Cost 1	Cost 2	Total
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042
0101456027	A1	Plastic Moulding Valve Working	0.045	0.012	0.057
3450912575	B2	Bearing Part 2C - Gearing Exchange	0.033	0.009	0.042

10% OFF

NEW - Tact INVESTMENT
8 unit production line
10% of total order when purchasing
Telephone 0845 1234567

1stClassFinance CALL NOW
TACT CUSTOMER EXCLUSIVE RATES
0800 0001 0001
Invoice Finance NOW and free up cash flow.
Exclusive Flexible Rates to Tact Customers*

Tact Manufacturing will be closed for one week beginning 18th March 2008 - Please contact Pamela Richards if you need a delivery of goods before this date.

A delivery note from one company could carry advertising for a related product or service

integrated offer – a printing and software solution – so that effectively the suppliers are fulfilling the same role an IT consultancy would in another part of the client's business.

Cross selling Because of the nature of transpromo it is not regarded as a prospecting tool to acquire new customers, but as a way of reinforcing existing relationships leading to cross-selling opportunities. “It is a much more personal form of marketing,” states Kevin Illingworth, director of K2 Group. “It's about addressing the real needs of the customer – not just personalisation, but individualisation.”

That makes transpromo particularly appealing to banks and companies that run their own credit card schemes. In fact respondents report that 72 percent of the UK demand comes from just two sectors – financial services and retail.

Both the banks interviewed for this article confirm that transpromo has been around for some time, but it is now assuming a greater

“It is not right for all customers in all sectors, but it has the potential to improve return on investment”

priority in their businesses. The benefit is seen as the cross-selling opportunity, the improved return on investment over direct mail, and the potential for improving customer relationships. Terry Milward, head of document services at Lloyds TSB, summarises: “The benefits of transpromo for us are two-fold. It is a low-cost way of sending targeted messages that are likely to be more effective than inserts, and even more importantly it enables us to sell more products with better targeting.” Both banks admit that it is challenging to implement, particularly given the constraints of legacy systems, but are attracted by improved document composition software. Interestingly they both manage the operational aspects in-house.

Drive-time decay is another concept specific to the retail sector, where transpromo technology can calculate an individual's physical distance from a store and predict their propensity to travel, in the context of specific product categories. In other words they may not be prepared to drive 25 miles to shop for a kettle but would for a sofa. In this way transpromo can leverage demographic understanding to drive consumers to outlets. Gracey is an exponent of this approach: “A critical component in retail for making transpromo work is understanding and linking your merchandising strategy to your consumer base by distance and then knowing which offer makes sense to go into which statement.”

Conclusion Clearly suppliers have many functions they need to perform, first as advocates promoting the technology, then as consultants to implement it internally with the client, and then as brokers to merge all the functions together within the client's business. It is truly a consultative sell over the medium to long term, requiring a unique blend of skills. It is not right for all customers in all sectors, but it has the potential to improve return on investment and leverage data by building relationships and loyalty with customers – all within the context of the overall marketing mix.

There is no doubt that the winners in the market will be those that can take the higher ground with their customers and offer a total solution. With the annual online advertising spend in the UK over £3 billion, transpromo could prove to be a saviour to mail and print operators alike by positioning mail as a highly targeted and personalised advertising tool. ■