

# Is Color Really Making an Impact on Customers in Their Transactional Documents?

**IMERGE Consulting, Inc**

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*Panel Discussion – William Broddy*

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## **Kemal Carr of Madison Advisors**

In a word: no. Now, let me explain. It's not that color is unimportant or that color doesn't elicit the desired response, because it does both those things. Where we find the disconnect is in the deployment of color in transactional documents. Firms that simply take the due date and the amount due and change that text from black to red are confused regarding the investment and result of deploying color. So, the real question is: If utilizing the same document format and simply introducing color into that format doesn't produce the desired response, what does?

This typically brings firms to the stark realization that in order to take full advantage of deploying color on their transactional documents, firms need to redesign the document for color. This new reality often acts as the speed bump to color deployment, slowing the rollout of color. When firms have multiple applications that are color capable, qualified and appropriate, this compounds the color deployment issue. The resources and effort required for high-volume transactional document redesign are significant and can often take several months, thereby, protracting any color rollout.

Another obstacle? Firms often find that their existing document creation technologies do not adequately support the newly redesigned documents, which often necessitates projects to upgrade or replace current toolsets. Often, these tasks can run parallel to the document redesign efforts, but care must be taken to not create a design that is inefficient or unsupported by the proposed toolsets.

With the new design for color, which typically includes images and graphics, there is a requirement for technology characteristically not found in the transactional document environment: content management. Firms need an archive to store the various images and content that will be printed in color on the document, and storing these assets on the mainframe with the customer data isn't generally the best solution, even if the capability currently exists within the enterprise. In addition, the introduction of color imagery requires control and management of those resources to ensure accuracy and consistency. However, this is a foreign concept in the traditionally monochrome transactional environments.

Once firms have all the new technology required and the new document design to leverage the color, one critical piece is still missing: the data. Many organizations lack the data integrity and the business intelligence capabilities to dynamically and effectively deploy personalized, color-rich transactional documents. | *Kemal Carr is the president of Madison Advisors, an advisory firm that specializes in print and electronic communications. To contact Mr. Carr, email [kemalcarr@madison-advisors.com](mailto:kemalcarr@madison-advisors.com) or visit [www.madison-advisors.com](http://www.madison-advisors.com).*

## **Elizabeth Gooding of Art Plus Technology**

I hope they're not! In the 1988 movie, *Working Girl*, Sigourney Weaver says to her secretary, played by Melanie Griffith, "Dress sharply and they notice the dress. Dress impeccably and they notice the woman — Coco Chanel."

Effective document design works much the same way — splash a bunch of color around and customers may notice the "cool design," but if you use it well, they notice the message. In essence, you want the customer to be able to remember the words — not the colors. Many major financial companies, such as T. Rowe Price and The Principal, are generating full-color transaction documents for some portion of their clientele — but I have never heard a single company say, "I hope the customers notice the color."

A recent study commissioned by Transact Technologies, makers of color point-of-sale printing technology, looked at changes in awareness of offers on point-of-sale receipts in color versus black and white. The study found a 165% lift in immediate awareness of offers on color receipts versus black and white. Only 10% of customers failed to notice the offer at all on the color receipt versus 48% who failed to notice it on the black and white receipt. While these numbers strongly indicate that color helps increase awareness — it should be noted that the color receipts in the study were redesigned as well as produced in color, so it is difficult to determine how much lift was actually due to the color.

Color can aid memory, increase awareness and create positive associations for your brand — but it is just one possible fashion accessory for your documents. | *Elizabeth Gooding is president of Art Plus Technology, a provider of communication strategy, design and development services for the financial services industry. Contact Ms. Gooding at [egooding@ArtPlusTechnology.com](mailto:egooding@ArtPlusTechnology.com) or visit [www.artplustechnology.com](http://www.artplustechnology.com).*

### **William Broddy and Dr. Michael Turton, Consultants**

In our recent study of statement quality in North America and Europe, we found that the issuers of truly great statements understood who the specific client was and provided valuable advice based on that knowledge; they never had to say "If you." These organizations effectively use their statement to promote additional business. However, few of them seem willing to share their success with others.

For example, a utility has used selective messaging to lower calls into the support center by upwards of 15%. They analyzed the types of questions that resulted from specific usage patterns and then preemptively provided additional help information that would answer the client's anticipated question. They also use the statement to suggest additional services or alternate ways to pay based on that customer's current status.

We also noticed no clear correlation between the great statements and variable color. Although one of the best statements, Humana's Smart Summary, effectively exploited variable color to enhance the mood, structure and readability of its document, it was the exception. Only 20% of the great statements used variable color, which was consistent with the entire sampling. We, therefore, believe that buying a color printer to improve customer communications is putting the cart before the horse. You first need a well-designed, highly personalized document that you can make more effective through the use of color. | *William Broddy is a principal consultant for IMERGE Consulting, and Dr. Michael Turton founded Cavendish Consultants. Contact Mr. Broddy at [william.broddy@imergeconsult.com](mailto:william.broddy@imergeconsult.com).*

### **Jim Hackett of Indivia, Inc.**

Absolutely yes, and I would argue that anyone who is creating transpromotional communication and does not experience an increase in readership and a lift in response rates is probably doing something wrong. In fact, several clients have experienced increases of 300% to 500% when implementing highly personalized, four-color VDP transpromotional campaigns.

It just makes sense that well-placed onserts can be more effective than generic inserts. After all, strategically planned and placed onserts help eliminate distractions from the primary transactional message by carefully integrating relevant messaging instead of competing for attention the way that traditional inserts do. However, you can further boost the effectiveness of a strategically sound onsert campaign by incorporating the power of selective inserting to ensure that any inserts included in a package contain relevant offers for each and every customer.

Some examples of real results from recent TransPromo efforts include: 34% faster response to offers, 48% increase in repeat orders, 25% boost in average value of orders and 32% increase in total revenue. It's hard to argue against these kinds of numbers. The challenge for all of us in the industry is to be sure that we carefully develop strategic plans that use the data we have in responsible and ethical ways to nurture the value-based information exchange with customers in order to present purely relevant information and offers. | *Jim Hackett is president of Indivia, Inc. Please contact Mr. Hackett by calling 978-474-4068 or email him at [JHackett@Indivia.biz](mailto:JHackett@Indivia.biz).*