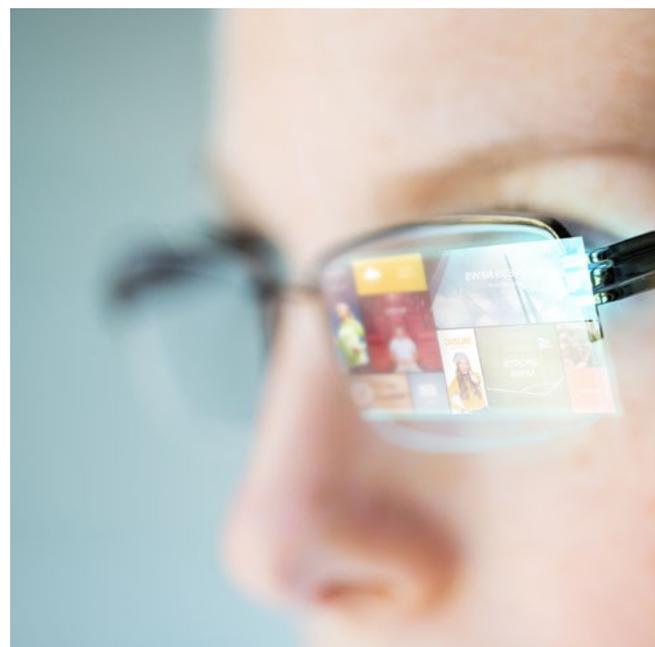


INSIGHTS.  
IDEAS.  
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# Enhancing Your eAdoption Strategy

Reach your paperless goals while improving the digital customer experience



The potential to entice customers to “go paperless” is very attractive to many organizations as they seek ways to drive down customer service costs. Digital communication has the potential to reduce costs – particularly in light of rising postal rates – and, at the same time, it has the potential to actually improve the customer experience.

Establishing, achieving, and maintaining eAdoption and paper suppression targets are complex and interdependent processes. Without paper suppression, companies cannot achieve a return on investment on the provision of digital services. Without investing in both a strategy and execution programs to attract customers to digital services, customers will continue to rely on paper.

Despite the potential business benefits, roughly 30% of companies lack a communication plan to inform customers of their digital services.<sup>1</sup> For the remaining companies with an eAdoption strategy, the strategy is often lacking marketing sophistication or the company has not staffed to achieve execution proficiency, which can sabotage corporate eAdoption and paper suppression goals.

Key factors that undermine eAdoption efforts include:

- Inability to set realistic targets/goals for their industry and company
- Ignoring strategies that maximize the available marketing budget
- Lack of internal change management
- Misalignment of marketing messaging with the customer base
- Failure to measure and refine campaigns
- Ineffective execution approaches
- Lack of ongoing customer feedback relative to satisfaction with the digital services offered

At Broadridge, we leverage deep industry experience across technology, data analytics, process management, and customer engagement to help our clients achieve their eAdoption and paper suppression goals.



This whitepaper highlights the strategies our eAdoption Consulting Services experts recommend to minimize the key pitfalls.

#### **Define an eAdoption strategy with realistic goals**

An organization without a clear, well-defined marketing and communication plan with achievable goals will never succeed in an eAdoption program.

Even though 78% of homes now have Internet access<sup>2</sup> and 71% of consumers own smart phones,<sup>3</sup> a high percentage of customers are still not informed about the digital delivery and payment options available to them. If there is no communication relative to the digital services available or the benefits they provide, eAdoption suffers. Without a focused

<sup>1</sup> Multi-Channel Delivery Market Study, Madison Advisors, 2013. | <sup>2</sup> US Census Report, November 2014. | <sup>3</sup> MOBILE MILLENNIALS: OVER 85% OF GENERATION Y OWNS SMARTPHONES, Neilsen, September 5, 2014.

marketing and communication plan, customers remain unaware and the goals established around eAdoption remain unfulfilled.

Consumers' willingness to give up paper varies significantly by document type and by industry. Many organizations set goals and targets that are not achievable within their industry and their company. In general, companies have a tendency to be overly optimistic when setting paper suppression targets. Case in point, when asked about their paperless delivery rates and expectations by InfoTrends,<sup>4</sup> business respondents across a variety of industries provided estimates that InfoTrends considers unrealistic unless businesses transform their approaches to driving adoption.

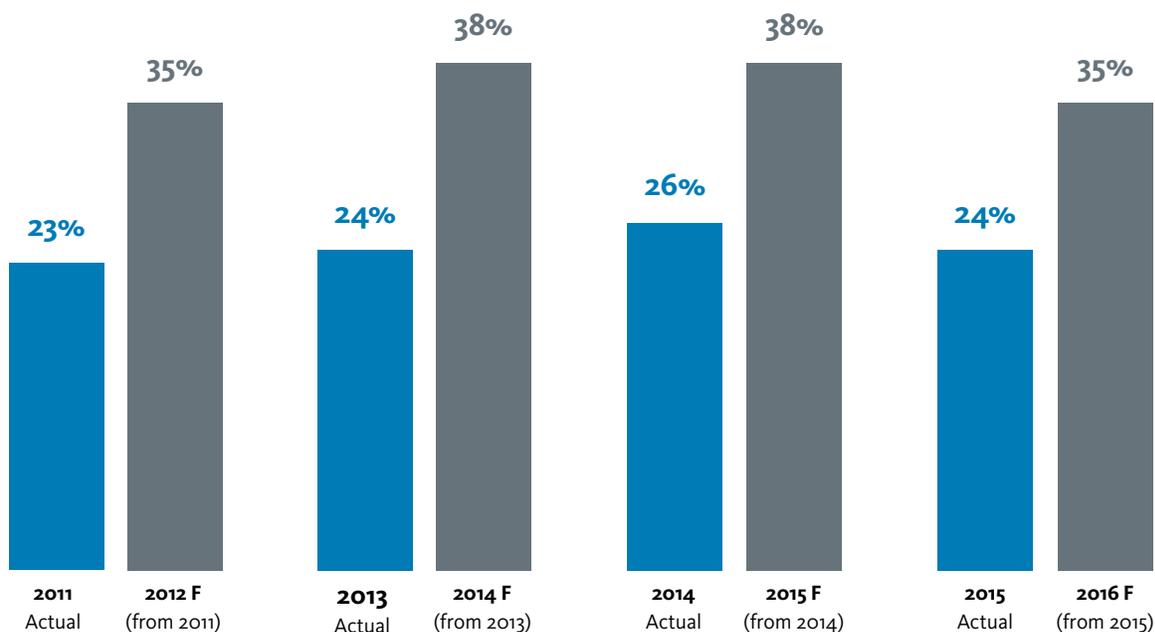
Establishing realistic goals requires a broad knowledge of the eAdoption landscape and key success factors. This knowledge base may not be available internally.

Each business must understand their own unique breakeven suppression levels, the percentage of their customer base that are potential adopters, and the number of touches for each customer segment that are necessary to drive adoption. An overall cost benefit analysis must consider not only the cost of an eDelivery solution but also the cost to continually and efficiently position that solution with the customer base. Adoption targets should be set in aggregate and for each customer strata; marketing plans should be similarly segregated.

Achievable goal percentages may be lower than those originally defined or desired by many organizations. However, print costs can be reduced as a result of achieving as little as 10 to 20% paper suppression, depending on the size of the company and the cost of the eDelivery platform. Keys to a lower break-even level are efficient implementation and maintaining printing, mailing and digital solutions with the same supplier to achieve efficiencies.

## PAPERLESS DELIVERY RATES

■ Actual  
■ Forecast



<sup>4</sup> Graph: Annual State of the Transactional Communications Market Survey, InfoTrends 2011, 2013, 2014, 2015.

Broadridge has enabled many organizations to take this first, most critical step to putting a plan in action. With knowledge of a myriad of industries, as well as the tools available to support our clients' processes, we can assist in establishing realistic eAdoption goals and then tailoring a strategy specifically designed to meet those goals.

#### **Define strategies that maximize results for dollars spent**

Most companies dedicate only 5 to 15% of their budget to digital channels<sup>5</sup> and often this budget is wasted on marketing strategies, such as extravagant sweepstakes or bill inserts, that are both widely used and widely ineffective for this purpose.

Leveraging your existing print coupled with small incentives is the most economic and effective approach for driving results. Expensive sweepstakes to win a car, a trip, or an iPad®, etc., have not proven to be effective in driving customer action. According to InfoTrends,<sup>6</sup> consumers cited cash incentives as the number one driver for giving up paper.

Incorporating strategic messaging on existing printed statements provides the opportunity to tailor the message to the recipient by focusing on issues that resonate with their age group or stage of customer lifecycle. Messages can be placed in various places on the statement at different times to highlight various features. Messages promoting the benefits of convenience, such as those outlined below, resonate with most groups:

- “All the records without the clutter. Go paperless and get two years of online statement storage for FREE.”
- “Looking for a particular transaction? Search easily with online statements.”
- “Need all of your statements for a mortgage application? They're waiting for you online.”

Additionally, personalized on-statement messaging is less expensive and more targeted than inserts. On average, across all major vertical markets and marketing applications, relevance can deliver more than four times the response of static, same-to-all messaging.<sup>7</sup> Static messages can be effective, however, when placed on the outside of the envelope, such as a “Hot Note.”

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*“We not only achieved our goal, but we exceeded it. We also achieved our other initiatives, which included cost savings for our company as a whole and reduction in paper consumption as a part of our green efforts.”*

*– Vice President at a financial services company and Broadridge client*

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A Hot Note, a product Broadridge offers, is a die-cut area built into the envelope wall that is easily removed and adheres like a sticky note. Customers can peel the Hot Note from the envelope and stick it to their statements or any surface as a reminder. Hot Notes have proven results, more than doubling digital adoption within two months for one of our clients.

Broadridge takes a holistic view of all promotional avenues available, through both print and digital channels, to define a strategy designed to optimize client-specific eAdoption budgets and success.

#### **Leverage a change management plan to drive internal awareness and support**

Many organizations that have a communication plan focus strictly on external promotions. They never drive the change management efforts necessary to make their internal teams aware of the new digital offerings available.

To drive success, customer-facing personnel must understand the benefits of the digital services – for both the customer and their company. Customers trust technology recommendations when they come from an individual, such as an employee of the company, versus a promotion generated from an electronic source, like banner ads. Prepare customer-facing personnel to encourage customers to go paperless with every customer interaction by providing specific scripting and tools that

<sup>5</sup> Multi-Channel Delivery Market Study, Madison Advisors, 2013. | <sup>6</sup> Annual State of the Transactional Communications Market Survey, InfoTrends 2015.

<sup>7</sup> 1-to-1 Response Rate Report, Caslon and Company for PODI, September 2012.

highlight the benefits of digital services. Track eAdoption progress and make it visible to the team, so they can see how their efforts are paying off.

Broadridge focuses on getting all stakeholders engaged in achieving common goals and offers assistance with messaging and support for infrastructure development to foster ongoing, two-way communication.

### **Execute eAdoption campaigns aligned with your customer base**

A key step in defining a marketing and communication strategy is stratification of the customer base to understand demographics. This stratification is critical to devising the messaging, approach, and communication tools for a specific audience. Clearly articulating the customer benefits through all communication channels, as well as addressing any concerns about eAdoption or paper suppression the customer might have, is imperative.

Since perceived benefits or concerns relative to eAdoption differ depending on the customer's age, gender, and geographic location (among other factors), no single message or strategy is the silver bullet. Targeted messaging helps to promote advantages and alleviate the concerns specific to that customer.

According to InfoTrends,<sup>8</sup> the top three benefits of receiving bills and statements electronically are convenience (46%), helping the environment (43%) and the fact that it is free (36%). Yet, most companies only use "green" messaging for their eAdoption communications and never vary that theme. Contrast the type of messaging being used most aggressively with customer perception of key benefits of going paperless and it is clear why "green" does not mean "go" in eAdoption marketing.

Employing a strategy that leverages and rotates different messages offers the best opportunity to maximize paper suppression goals.

In addition to defining compelling benefits to the customer base, messaging that combats concerns relative to eliminating paper is important to the strategy. The number one deterrent to eAdoption was security and privacy risks as reported by over

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Person-to-person "marketing" through internal personnel has shown to pack twice as much punch as other communication channels – particularly with those customers who are more reluctant to adopt.

– The Financial Brand, March 2015

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Customer-to-customer recommendations are one of the most effective marketing tools. 90% of customers trust peer recommendations while only 14% trust advertisements.

- Socialnomics 2014

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Many consumers still want their paper, citing the top three benefits of paper bills and statements as recordkeeping (53%), as a reminder to make a payment (45%) and security precautions (25%).

– InfoTrends Annual State of the Transactional Communications Market Survey 2015

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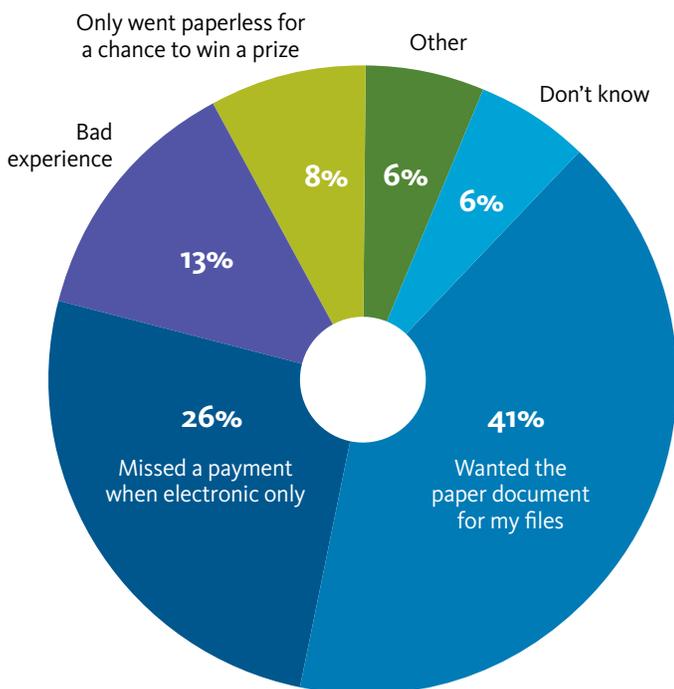
26% of the participants of the 2013 Madison Advisors Multi-Channel Delivery Market Study. To avoid these deterrents to paper suppression, messaging needs to incorporate language that explains how the eDelivery platform protects consumer's personal information.

Targeted messaging campaigns should also focus on encouraging and reminding existing online customers to suppress paper. Distribute messaging to this targeted customer base through a variety of media on a periodic basis that explains how to "turn off" paper and the benefits of doing so.

Broadridge helps its clients develop a baseline understanding of current eAdoption percentages to assess where the greatest penetration currently exists and then develops strategies to replicate that success with other customers of the same demographic. For clients who are new to digital services, we analyze the customer base to identify segments with the highest propensity to adopt and accelerate adoption by focusing campaign execution on the most likely candidates first.

<sup>8</sup> Annual State of the Transactional Communications Market Survey, InfoTrends 2015.

## WHAT IS THE PRIMARY REASON WHY YOU OPTED OUT OF PAPERLESS DELIVERY AFTER MAKING THE TRANSITION?



### Create measurements and monitor results regularly to sustain success

There is no “one size fits all” strategy. A single incentive program or marketing campaign across a diverse audience is not going to work for achieving eAdoption goals. Success requires continued management and monitoring of results. Specific measurements should be developed to identify the need for new campaigns and guide refinement of existing campaigns.

Key Measures include:

- Adoption progress (or decline) for each customer strata
- Assessment of delivery methods and messaging driving greatest (or least) results
- Percent of customers reverting back to print and the reason why

It is important to review adoption measurements at least monthly. The review process should include root cause analysis to understand drivers for both positive and negative results. The results of the review should drive associated refinements to the adoption strategy for sustained success. For example, understanding the erosion of eAdoption percentages being driven by customers reverting back to print can drive messaging changes that combat those root causes.

The primary reason customers “opt-out” of digital services is the desire to have a paper document for their personal files.<sup>9</sup> By understanding this key driver, campaign messaging can be amended to combat this concern. For example, incorporating messaging into the next eAdoption campaign that promotes the fact that a digital “filing cabinet” is an innate part of the eDelivery platform through a digital archive service could help to reduce this impact going forward. Analysis of this data could also provide insight into potential gaps in digital offerings (e.g. the current digital suite does not support archive or payment reminders).

Broadridge provides recommendations for a detailed measurement framework aligned with customer-specific business operations and adoption goals. This includes guidance on how to leverage that information to refine the eAdoption program over time.

### Refine your execution approach

The traditional marketing “Rule of Seven” states that customers need at least 7 “touches” in order to respond to an offer. To ensure neither the messaging nor the approach become stale, attention should be drawn to messages through the use of color, font size, and type style to prevent customers from “reading over” a call to action.

Varying delivery methods is just as important as creating variability in messaging. Different media appeal to different customer segments. Incorporating multiple methods of delivery into the marketing and communication strategy is essential to driving the highest eAdoption and paper suppression results.

Graph: Annual State of the Customer Communications Market Survey, InfoTrends 2014. | <sup>9</sup> Annual State of the Customer Communications Market Survey, InfoTrends 2014.

For example, following a statement message with a text alert for “Gen Y” customers saying “Text ‘GO PAPERLESS’ to this number for online service” is a fast, easy way to get this group to opt-in. Consumers have different preferences for learning about digital services but the top channels are email, statement messaging, and special letters<sup>10</sup> specifically describing the digital services.

Leveraging different channels is also an excellent way to demonstrate how online statements work. For example:

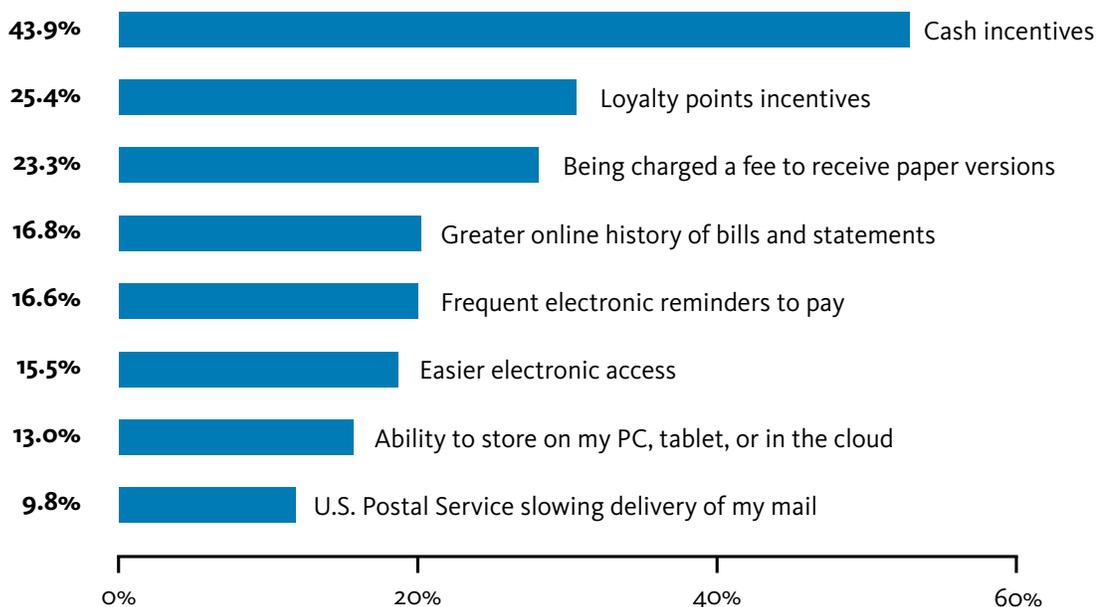
- Adding augmented reality services to statements lets customers visualize online information and can take them directly to the online site from their phone or the webcam on their PC.
- A secure email can demonstrate the security of online statements.
- Using a special letter to say “Was this left outside your door? That would never happen with an online statement” further underscores eDelivery security benefits.

Combining the information relative to customer stratification, preferences, and available touchpoints can allow resources to be used most effectively. Marketing and related expenses can be minimized for those least likely to be receptive to digital services and, instead, focus on those most likely to adopt.

Another execution conundrum is the relative value of carrots (offering incentives) and sticks (charging penalties) in driving eAdoption and paper suppression results. As noted previously, consumers cited cash incentives as the number one “carrot” for giving up paper.

Assessing penalties for receiving paper may seem appropriate to some companies, but “the stick” should be used with caution. While the InfoTrends report shows that 23% of customers felt that charging to receive a paper statement would be an effective method of getting them to convert, this is down significantly from the 2013 results of 64%. Additionally, 60% of those responding to the Madison Advisors Multi-Channel Delivery Market Study 2013 indicated that using fees to discourage print would result in customers looking for another provider.

### WHICH OF THE FOLLOWING WOULD MAKE YOU MORE LIKELY TO GO PAPERLESS?



Graph: Annual State of the Transactional Communications Market Survey, InfoTrends 2011, 2013, 2014, 2015. Three Responses Permitted | <sup>10</sup> Multi-Channel Delivery Market Study, Madison Advisors, 2013.

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*An objective third-party review of an established program within a large telecommunications provider uncovered that stale email addresses were eroding eAdoption results. After putting a formalized measurement and monitoring process in place to identify this issue and receiving guidance on targeted messaging tactics to accelerate results, adoption increased from 23% to 30% within a six-month timeframe.*

– Transformation Management Consulting, LLC, 2012

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Of course there is a third approach: automatic shut off. This option is most often applied to those consumers already receiving electronic statements while also receiving paper. “Double dippers” can receive a series of online and statement messages, requiring them to opt-in to continue receiving paper. This can be followed by paper suppression. Automatic shut off has the best results and the lowest potential backlash when performed as part of online enrollment.

Broadridge provides a thorough analysis of your business, current adoption rates, future goals, and customer demographics to build a targeted, executable, ongoing plan for engaging your customer base and driving eAdoption results.

#### **Success brings more success**

Making customers a part of your program is a great way to keep them from reverting back to paper and keeping your

digital services fresh and relevant. It is also an effective way to make sure that the scope of services and available channels continue to meet customer needs. While digital channels are more cost effective for companies, if that efficiency comes at the cost of the customer experience, it can become expensive very quickly.

Periodic surveys and call center scripts can be used to gauge customer satisfaction with digital services and to gather testimonials for furthering adoption efforts. Customer-to-customer recommendations are one of the most effective marketing tools.

Broadridge helps clients ensure that digital services are meeting customer needs on an ongoing basis through analysis of customer behavior and development of surveys, focus groups, user-group forums, and marketing and observational studies, as well as predictive modeling.

#### **Enhancing your eAdoption strategy**

To avoid the eAdoption and ROI pitfalls that many organizations have encountered, a clear plan of action needs to be established. Below are key elements to consider:

1. For companies with existing digital solutions, begin by developing a baseline understanding of current eAdoption and paper suppression percentages by customer strata.
2. Stratify the overall customer base by age group, gender, geographic location, economic status, etc. to identify and prioritize customers for eAdoption based on propensity to adopt.
3. Develop specific, tailored messaging and communication approaches based on different customer stratifications. Marketing messages should also be varied as a customer moves through the lifecycle of their relationship with the organization.
4. Align messaging and delivery channels to customer strata to foster further growth in those demographic areas where strong adoption already exists and to enhance penetration into other customer segments.
5. Balance campaign execution strategies with a mix of existing print, carrots, and sticks to minimize the overall cost of your digital offer.

6. Establish measurements to understand the true Marketing Return on Investment (MROI) for each channel used: statement marketing, envelopes, email, web, direct mail, etc. Balance the cost and effectiveness of the messaging and channels used.
7. Dedicate resources to support execution of the marketing plan and to define key measures of success. Ongoing messaging does not happen without ongoing support and that includes the support of senior management.
8. Measure the results achieved on a monthly basis and modify the campaign strategy based on what has been effective historically and in recent campaigns. Preferences shift and your marketing must shift with them.
9. Reach out to customers for testimonials on the value and convenience of digital services.
10. Measure satisfaction with digital solutions to ensure hard-won adopters aren't lost due to service issues.

However insightful and well-crafted an eAdoption marketing and communication strategy may be, the technology that supports the program must meet all of the customers' needs to be successful. In addition to establishing an eAdoption program, it is important to ensure the eDelivery platform supports key customer requirements.

Much like marketing messages need to be flexible to meet different customers' needs, the platform needs to offer that same level of flexibility. Customers want options relative to selecting the documents they want to receive electronically and those they want to remain in paper. The ability to specify communication preferences for notification of statement availability, such as email vs. receiving text alerts via a mobile phone, is another key component to dispelling concerns relative to paper suppression. In the Madison Advisors Multi-Channel Delivery Market Study 2013, 80% of the respondents indicated that receiving an email with a PDF download was the preferred method of receiving their statement versus an online view only. The retention period for availability of online statements is another key factor that impacts eAdoption.

In conclusion, a successful eAdoption strategy requires a well-crafted eAdoption marketing and communication strategy that is tailored to the company's demographics. However, no

marketing efforts can compensate for an inadequate eDelivery platform. Ensure the technology platform being promoted delivers the benefits highlighted within the marketing campaigns and eliminates concerns that may create barriers to eAdoption.

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*Capitalizing on Broadridge's recommendation to draw further attention to the "call to action," a financial services company was able to increase adoption by 30%.*

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### Contact Us

For additional information, please contact us at 1 844 364 4966 or at [broadridge.com](http://broadridge.com).

### About Broadridge Customer Communications Solutions

Our Customer Communications solutions transform how organizations communicate with their customers by creating an optimal, integrated digital and print experience. By seamlessly connecting customers with relevant content across the existing and emerging channels they prefer, your transactional, marketing and regulatory communications can drive efficiency, engagement and results.

Technology and Operations Solutions  
Communications Solutions  
Data and Analytics Solutions

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