

Iowa Telecom on the Campaign Trail with OSG

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Transpromo is an insider term if there ever was one. Nobody really uses the term with customers but everyone knows what it is. Nor is its function entirely new; service providers have been stuffing ads in their billing envelopes for years. But some things have changed and they've made transpromotional billing a more effective, necessary and easier option for service providers.

Shannon Seastead, marketing director at [OSG Billing Services](#), said transpromo is the marrying of one's bill, invoice or statement with marketing opportunities and taking full advantage of one's monthly billing tool to reach out to customers through a venue that almost surely is going to be opened and read.

"We have always worked hard to make sure our customers take advantage of the real estate in their bill," Seastead said. But now, she said, circumstances and technology have come into play that makes this opportunity stand out.

For instance, data mining capabilities have improved, the marketplace is more competitive, printing technology has improved dramatically and postal rates are increasing. Data mining and the portals that allow the manipulation of that data have had perhaps the greatest impact, allowing companies such as OSG to help their customers better target the right customers with advertisements.

One of the reasons [Iowa Telecom \(IWA\)](#) chose to do business with OSG was for this capability. Steve Kidd, marketing manager for the rural telco, said his company had been searching for a more flexible billing solution, particularly one that would improve Iowa Telecom's ability to target its marketing campaigns. The lack of flexibility, by the way, is losing some billing vendors and their service provider customers business. According to a report this month from Accenture, 10 percent of carrier's enterprise customers terminate their contracts because of poor billing performance, and only 27 percent of service providers feel their billing systems are highly flexible and serve as a competitive differentiator.

On the other hand, being flexible is winning business for companies such as OSG. Iowa Telecom is an aggressive marketer. However, Kidd said their messaging wasn't targeted enough because its old system lacked the flexibility to segment its customer base in a timely manner.

"Given the variety of products we have, getting the right message to the right customer at the right time in a more real-time fashion was important," Kidd said.

Iowa Telecom found what it was looking for in OSG's Campaign Composer product. OSG launched the wizard-based, data mining and segmentation tool recently and demonstrated it in November at its user group meeting. As an early adopter, Iowa Telecom has been using the product for three months.

Campaign Composer is designed to simplify the creation of targeted, transactional and promotional messaging using the bill or invoice as its vehicle. It works in conjunction with OSG's Dynamic Messaging and Envelope Messaging services and employs compound logic that determines the proper target group for a particular message.

"Getting solicited for something you already have is the worst form of communication you can get from your service provider," said Rich Hoffman, technical and operations vice president at OSG Billing Services. So OSG built its Campaign Composer to allow service providers to use simple or compound logic filters to target only those customers they need to reach with a particular message.

Kidd said that when companies first roll out a service, a shotgun approach to marketing will suffice. But as the market for a product matures, transpromotional billing is needed. "We are well penetrated with bundles and high-speed Internet, so all the low-hanging fruit is gone," Kidd said. "Now we have to be a lot smarter about those remaining opportunities while trying to save advertising dollars."

Iowa Telecom recently launched a 15mbps DSL service for which Kidd said it did all the requisite diligence. "But OSG allowed us to get much more finite in getting the right billing insert to the right customer so I didn't have to print 50,000 of them with some watered-down scripting," he said. "If I have 8,000 high-potential customers for this service, I can get very specific in my messaging and promotional offer, and make sure these people get it."

Iowa Telecom has done benchmarking, which confirms that end users want to be communicated with via their bills, whether that communication is about new products and service or community news and information. During the severe flooding in Iowa this past summer, for example, the company used transpromotional billing to communicate information about different charities for fundraising and other emergency information.

Next up for transpromo is developing better ways to track and measure its effectiveness, but for now, billing commands a 90 percent open rate on a company's messaging and that's a pretty good metric for starters. "It is your one great opportunity in a month to communicate with your customer. It's the heart and soul of your communication," Hoffman said.