

STATEMENTS ARE MOMENTS OF TRUTH

SUMMARY

Many customer experiences of services are limited to the use of that service and the point at which they receive a statement of how much that use has cost them. Those statements are therefore elevated to the status of a “Moment of Truth” for the brand. Unfortunately the very passive nature of electronic billing in the UK and Europe means that the experience is often negative – the only time it occurs is when something has gone wrong.

This white paper advocates the use of Adobe iStatements to seize the initiative at this critical time, replacing plain information and a frustrating call to a call centre agent with a rich experience that allows the customer the ability to interact quickly at the time they most need to.

INTRODUCTION

This white paper seeks to discuss the current way in which Statements are communicated from supplier to customer, and to offer an answer to the question “what is the likely future format that these will take?”. It is aimed at a non-technical audience.

ANCIENT HISTORY

The concept of a Statement for many people is inexorably linked with their bank account or their fixed line telephone bill. For many years that was the extent of an individual’s experience of a regular communication from a supplier. Whilst the business world was accustomed to receiving many invoices and a monthly statement from their business partners, private homes simply didn’t use credit in the way we all expect to now.

The statements of this era were very simple, lists of records of transactions, information often encoded and printed on a line printer using continuous stationery.

The advent of the Credit Card created a new opportunity for Financial Services businesses, with new systems and a renewed focus on the statement process. These statements meant that organisations had to develop the capability to put additional documents into the envelope with the statement – an envelope for the payment for example – and soon they learned that other items could be included without increasing the postage cost. The statement had become a vehicle for advertising.

THE RECENT PAST

In recent times, the advertising messages morphed from simply being random inserts that fall out of the envelope when you open your statement, into more personalized, targeted messages on the statement itself. Although the level of personalization achieved never seemed to match the promise offered by the vendors of the software used to create these documents, their efforts, together with the rapid advances in page printing technology, through spot to full colour, ensured that the statement itself became less a simple report of transactions and more part of a marketing project.

This technological change was accompanied by a substantial growth in the number of statements most households expect to receive. Bank and Credit Card statements were joined by Pay Television statements, Cell Phone statements (often one for each member of the household) and Internet service provision statements. This era was certainly the golden age of traditional letter post. Mail volumes in the UK peaked in 2005; having grown year on year at a rate of 3%, they began to decline at an accelerating rate (up to -10% in 2009/10) due to two main factors.

The concept of electronic bill presentment and payment (a US term) offered the possibility of elimination of paper, printing, and postage costs. Adoption rates however were low throughout the early years of the new millennium, probably because businesses in growing markets tend to focus on selling more not spending less. There was also the lingering suggestion that perhaps there weren't enough people with sufficient internet bandwidth (who could therefore easily take advantage of the service) to drive adoption rates. However, within the last few years these factors have been overcome. A combination of a rapid increase in Broadband Internet penetration and a similarly rapid decline in the economic situation has made customers more likely to accept the financial inducement offered by many suppliers to give up their paper statements, whilst the suppliers need to save money in any and all ways possible.

ELECTRONIC BILL PRESENTMENT & PAYMENT

This term was coined by the National Automated Clearing House Association, the organisation that runs the network which forms the backbone for electronic money movement in the USA. It describes a model for paper-free bill and statement presentation and a complementary method for payment.

Typically, an electronic document is prepared by the supplier and published to a secured website. At the same time a link to the document is emailed to the customer, inviting them to view the bill or statement, and a mechanism by which they can remit funds to the supplier electronically allows the cycle to be completed. The customer needs to view the document because they need to know how much to pay.

In the UK (and in Europe generally), this model has taken a subtly different form. The email containing the link is sent, often containing the total most regularly billed services are paid for by a Direct Debit mechanism; the supplier (electronically) requests money from the customer's bank, rather than waiting for the customer to send the money.

ISSUES WITH THE CURRENT MODEL

The historical perspective offered above was included to point out a trend, that throughout the development of the printed statement, it became progressively more marketing influenced, and less purely transactional. This was initially a response to the excess postage capacity of the envelope containing the statement, but increasingly became part of the statement itself. It formed a vital component of the conversation between the supplier and customer.

The issue with the electronic model, at least with the current electronic model, is that in a UK / European context it reverses that trend. This is because the majority of recipients of e-statements never look at them. Provided the total appearing in the email is sufficiently close to what the customer has expected, the fact that the payment occurs automatically by Direct Debit means that they don't need to look at the detailed statement. As a result, the only time the customer does engage with the supplier over the statement content is likely to be to complain, or to challenge a record. The statement is then transformed from a simple transactional tool into a "Moment of Truth". Jan Carlzon, the SAS airline executive responsible for coining this phrase in a business context used it to identify the moments in which vital brand impressions are formed; these impressions are typically either positive or negative.

My contention is that because the statement is inert, and irrelevant to the customer until they have a problem, if that problem is simply to drive them to a Call Centre agent whilst they are in a negative frame of mind, they are likely to resolve this moment of truth in a way that reflects badly on the business.

AN ALTERNATIVE

We know that paper statements don't have to be dull, inert documents; the fact that many of them are doesn't reflect document composition technology at all. But a PDF of a paper statement has a lot to live up to. The web, once dominated by text, is now home to a wealth of rich content. Much of that content owes its functionality to the users of Adobe's Creative Suite software, whether it is Photoshopped still photographs, Flash movies or animations.

Adobe has another suite of technology, the Enterprise Suite. This has in the past been dominated by various tools and applications that allow the creation of highly intelligent PDF forms; latterly it has been extended to encompass Flex (best understood as Flash for Business forms). Increasingly it overlaps with the Creative Suite, reflecting the need for Businesses to match their customer's expectations of what websites should be. These are set on Facebook and YouTube, and on mobile devices that run Apps that turn the internet into an exciting, stimulating experience, not a passive reading exercise.

The Enterprise Suite also incorporates the Output creation and management functionality first brought into the Adobe stable by their acquisition of the business most people knew as Jetform. In LiveCycle Output, Adobe have developed an excellent tool for solving traditional Document Composition problems. Now they have combined these three application areas – Intelligent PDF Forms, Flash/Flex and Document Output Management – to make something that is genuinely new, and that offers a solution that is powerful enough to step up to the challenge of the Statement as Moment of Truth.

The name given to this new document type is the iStatement. This is a traditional PDF, the most widely accepted document format globally, souped up with Flash and Flex to provide rich animation and interactive form content.

THE ISTATEMENT

What does the iStatement mean in terms of the Customer Experience? There are in effect three components, each individually established sources of benefit in the Customer Engagement model.

1. The XML driven document template. This is by no means new, or unique to Adobe. It represents the current "state of the art" for Output creation and meets all the demands that can be placed on a traditional static document, be it printed onto paper, or rendered as a PDF.
2. The Flex form. Flex allows the creation of forms that are very dynamic but that also have the benefit of high data densities – you can get more fields in a smaller space. Each group of fields, for instance a "change of details" group, can be independent of any others on the same page, so they can be submitted separately.
3. The Flash animation. We are all so accustomed to Flash advertisements on webpages that no argument needs to be made for their relative effectiveness.

Combining these three features allows an organisation to build an iStatement template that can be customized to the individual needs of the client in a dynamic and persuasive message.

- Customised data, XML driven from your enterprise systems

- Customised forms, with pre-filled fields, that allow the customer to perform simple transactions – change of telephone number, employment details or perhaps a challenge to a particular transaction – without the hassle of a telephone call
- Customised advertisements – animated adverts that are tailored to the individual customer’s circumstances.

MOMENTS OF TRUTH

This paper argues that in adopting the first iteration of electronic statement technology, organisations have lost the ability to be positive at one of the few “Moments of Truth” they have with their customers. They are effectively passive participants in the customer’s experience. iStatements give the capability to take the initiative, to be active participants in the conversation, which will allow the creation of positive Brand messages at this important “Moment of Truth”.