

April 2017

The Value of Color and Its Influence on Billing and Payments



Evaluating the Impact of Color

Customers list billing among the top four factors that drive their satisfaction with a company and JD Power studies have revealed that billing and payment factors can account for 20 percent or more of total customer satisfaction. Color, while considered a small detail, can speed payment response and improve customer experience, which is why utilities today are considering a move from black and white statements to full color.

There are three main factors that companies must consider to understand the true impact of full-color statements on their customer relationship and billing strategy - influence on customers to take action, enhanced brand recognition, and cost savings. Whether your organization can benefit from faster customer payments, fewer customer service calls, or reduction in print-related costs, a splash of color can be the answer.

Color Triggers Less Confusion, More Action

Utilities have reported that over 10 percent of issues prompting calls to their agents were linked to their bill design. When used strategically, the inclusion of full color on statements instead of black and white or pre-printed stock can help reduce calls to customer service agents and clarify even the most complex invoice.

The readability of a statement is directly linked to consumer satisfaction and their perception of the company. Customers have been shown to be more loyal to providers that make understanding and paying their bills easier, and the addition of color can guide the eye to critical information, valuable promotions, or help break down charges for clarity. 76 percent of consumers find that color helps them locate information more efficiently.¹

Jan 31, 2014 **Customer Bill**
ABC ENERGY
 12345 MAIN STREET
 ANYWHERE, VA 12345

Billing and Payment Summary
 Account # 0123456789 Due Date: Feb 24, 2014
Total Amount Due \$ 226.33
 To avoid a Late Payment Charge of 1.5% please pay by Feb 24, 2014.
 Previous Amount Due \$ 221.82
 Payments as of Jan 31: \$ 221.82CR

Explanation of Bill Detail
 Customer Service 1-888-ABC-HELP

Previous Balance	221.82
Payment Received	221.82CR
Balance Forward	0.00
Residential Service (Schedule 1)	01/01-01/01
Distribution Service With Electricity Supply Service (ESS)	40.35
Generation	102.89
Transmission	13.51
Fuel	55.75
Sales and Use Surcharge	1.15
State/Local Consumption Tax	2.93
Utility Tax	3.75
Total Current Charges	226.33
Total Account Balance	226.33

Meter and Usage
 Current Billing Days: 30
 Billing Cycle: 01/01-01/30
 Meter: 0002380789
 Current Reading: 31735
 Previous Reading: 29840
 Total kWh: 1895

Usage History

Mo	Yr	kWh
Aug	12	2144
Sep	12	1836
Oct	12	1362
Nov	12	1238
Dec	12	1369
Jan	13	1637
Feb	13	1316
Mar	13	1262
Apr	13	1307
May	13	1692
Jun	13	1992
Jul	13	2072
Aug	13	1995

Important Customer Information from ABC Energy
 Strong an underground powerline while digging can cause serious injury or death. Please call 811 before you dig. It's free and it's the law. Call 811 to play safe.
 Visit Manage Your Account on www.abccom or call us to join our Budget Billing and Automatic Bank Draft Plans. They are free services.

Payment Coupon
 Bill Date: Jan 31 14
 Please Pay by 02/24
 \$ 226.33
 Amount Enclosed
 Account No. 0123456789

Send Payment to:
 ABC ENERGY
 PO BOX 123
 ANYWHERE, VA 12345

888 1234567890 0000018033 0000018033 91

ABC Company
 SALLY SAMPLE - 1234 MAIN ST
 Page 1 of 2
 CUSTOMER #: 1234567
 ACCOUNT #: 89101123
 BILL #: 5678213
 DUE DATE: 01/01/17
 TOTAL DUE: \$167.51

CURRENT CHARGES: \$175.00
BALANCE FORWARD: -\$25.00
TAXES & FEES: +\$17.51
TOTAL AMOUNT DUE: \$167.51

1% late charge is added after due date.

Water
 Water Base Charge 3/4" Meter
 Water Consumption - Tier 1
 Water Consumption - Tier 2
 Water Consumption - Tier 3
 Sewer Base Charge 3/4" Meter
 Sewer Based on Water Use
 Sewer Deduct Charge 3/4" Meter

Water Sub Total \$xxx.xx
Sewer Sub Total \$xxx.xx

TOTAL DUE \$167.51

FEES (2.57)
TAXES (14.94)
SET UP (22.31)
SEWER (7.20)
WATER (58.62)

PAY ONLINE: www.abccom/pay
CALL TO PAY: 1-800-ABC123

Keep this portion for your records.
 Return this portion with your payment and include customer number on check or money order.

ABC Company
 2020 Vision Plwy
 Tempe, AZ 85281
 abccompany.org
 480-123-4567

ABC COMPANY
 2020 VISION PARKWAY
 TEMPE AZ 85281

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According to research by Xerox, firms get paid 30 percent faster with colored invoices vs. black and white invoices.² When we drill down to behavior of the consumer and what is driving these faster payments, research shows that when critical information is highlighted in color on an invoice, 43 percent of consumers are more likely to pay on time and 31 percent are more likely to pay the full amount due.¹

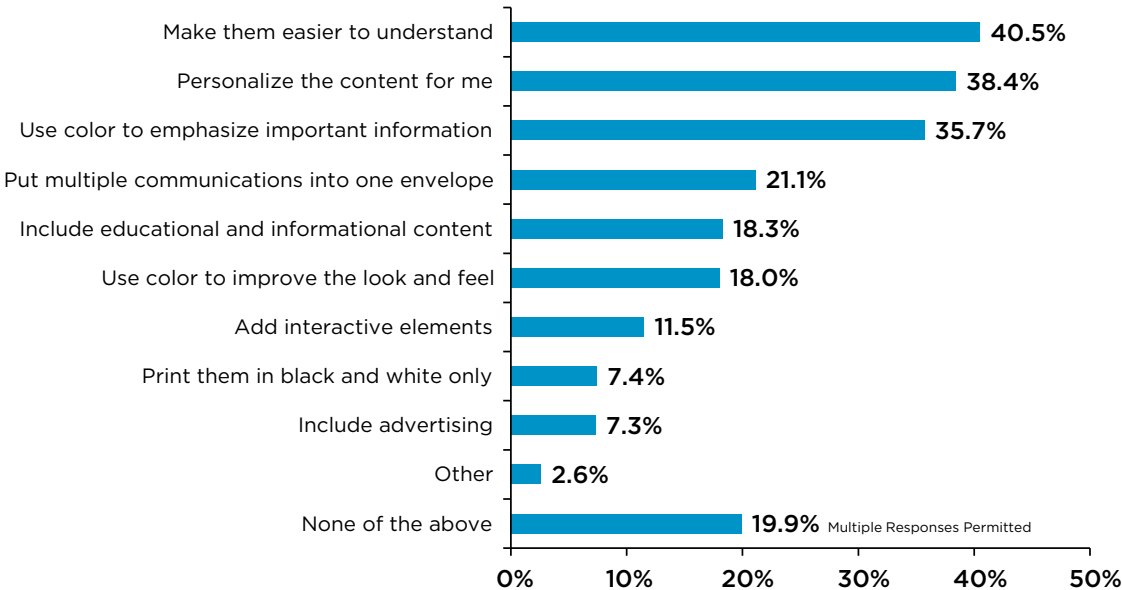
Emphasize	Categorize	Promote
<ul style="list-style-type: none"> Draw attention to amount due and overdue balance Feature multiple payment options available Highlight critical messages Call attention to customer savings 	<ul style="list-style-type: none"> Simplify line items with visible lines or boxes Associate line items with the corresponding product or service 	<ul style="list-style-type: none"> Advertise additional services. Solutions such as KUBRA iMail™ allow for segmented bill messaging to help target the right customers with messages.

When a company has been printing in black and white or using pre-printed stock, a change to full color can be met with indecision. The psychological color principle known as the Isolation Effect states that an item that “stands out like a sore thumb” is more likely to be noticed and remembered. This presents a simple approach to address two of the most commonly cited customer pain points associated with receiving and paying bills — keeping track of due dates and the possibility of late payments.

When considering ways to clarify and simplify information, companies often turn to symbols that represent a universal message. It is evident that the phone symbol would indicate a phone number, a droplet suggests water, a light bulb signifies electricity, etc. Color can be used in the same manner. Red is perceived as an aggressive color that encourages action, ideal for highlighting an amount due or overdue balance. Yellow can also be used to stress important messages, symbolizing caution. Additional color highlights should come from company branding to establish strong brand recognition.

How Providers Can Improved Mail-Based Communications

How can your providers improve the business communications they send you in the mail?



Source: InfoTrends “Adding Value to Transaction Printing TransPromo: Delivering ROI”

Color Asserts Your Brand

It is no surprise that studies show printing in color increases brand recognition by 80 percent.³ When customers are receiving an average of 7.8 bills/statements every month,⁵ color can be a strategic advantage. Consumers have revealed that on occasion they've accidentally made a payment to the same biller twice in one month thinking that they were paying multiple billers. It wasn't until they received their next invoice and contacted customer service that they recognized their error.

In a few years, U.S. millennials, a population of 80 million, will be at their peak earning age, becoming home owners and taking on utility payments. Salesforce reported that 34 percent of millennial customers say they would rather get their teeth cleaned than call into a customer service support line.⁴ This is where customer expectations are headed for every industry. Therefore, while a small issue such as paying the wrong bill does not seem critical, it is important to consider the impact on customer experience.

Cost of Color Is On Your Side

Color printing was once considered an expensive luxury and out of reach for many utilities. Today, the costs associated with printing in full color can be offset by using color to drive on-time payments, implementing effective transpromotional messaging, and consolidating transactional and direct mail through the use of inserts.

ABC Company
SALLY SAMPLE - 1234 MAIN ST
Page 1 of 2

CUSTOMER #: 1234567
ACCOUNT #: 89101123
BILL #: 5673213

DUE DATE: 01/01/17
TOTAL DUE: \$167.51

CURRENT CHARGES:	\$175.00
BALANCE FORWARD:	-\$25.00
TAXES & FEES:	+\$17.51
TOTAL AMOUNT DUE:	\$167.51

1% late charge is added after due date.

Previous Balance		\$x,xxx.xx
Payment - Thank You	CR -	\$x,xxx.xx
Balance Forward	CR -	\$xx.xx
Water		
Water Base Charge 3/4" Meter		xxxx.xx
Water Consumption - Tier 1	xx,xxx gallons at x,xxxxx	xxxx.xx
Water Consumption - Tier 2	xx,xxx gallons at x,xxxxx	xxxx.xx
Water Consumption - Tier 3	xx,xxx gallons at x,xxxxx	xxxx.xx
	Water Sub Total	\$xxxx.xx
Sewer		
Sewer Base Charge 3/4" Meter		xxxx.xx
Sewer Based on Water Use	xx,xxx gallons at x,xxxxx	xxxx.xx
Sewer Deduct Charge 3/4" Meter		xxxx.xx
	Sewer Sub Total	\$xxxx.xx

How Much Water Are You Wasting?
Go online to learn more about conserving water and saving money!
abccompany.com/water

WATER (58.62)
SEWER (71.20)
FEES (2.57)
TAXES (14.94)
SET UP (22.31)
TOTAL DUE \$167.51

PAY ONLINE: www.abcco.com/pay
CALL TO PAY: 1-800-ABC123

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SALLY SAMPLE
1234 MAIN STREET
CITY ST 98765

ABC COMPANY
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When a splash of color to statements helps customers locate and understand the information and boosts on-time payments by nearly 50 percent, a decrease in the cost and time spent assisting customers in call centers can be expected. That significant increase in on-time payments will also affect payment collection and processing costs, not to mention the influence on the other side of the transaction where customers will experience fewer late fees — a step in the right direction for a raise in customer satisfaction.

When an InfoTrends study asked 2,025 U.S. customers how their providers can improve the business communications they send by mail, 38.4 percent said, “personalize the content for me.” Billing and payment solutions such as KUBRA iMail™ include transpromo features to assist companies with incorporating powerful, targeted advertising directly on the bill. As companies consider transpromotions on their statements, black and white images cannot compete with full color. 54 percent of customers reported that they are more likely to read documents or marketing pieces when they are printed in color.¹

There is no doubt that direct mail is an effective marketing piece, but when you consider that 65 percent⁶ of the inserts printed end up damaged or expired and the ones that make it into the home are often trashed without being opened, investing funds in messaging that is weaved into a must-read statement can be the better solution. As companies consider consolidating their direct mail messages and invoices to display full-color inserts and personalized transpromo messages directly on their bill, it is important to also recognize the cost-savings associated with a decline in postage and printing for delivering inserts.

A shift from black and white or roll-fed invoices to full-color can do more for your company than making your statements look better. To customers, it makes a regular communication touchpoint easy to comprehend and analyze, simplifying their payment process. For utilities and other companies who manage billing and payments, color helps generate brand awareness and presents more opportunities to improve and grow customer relationships through attractive and influential messaging. As for the bottom line, new technologies in print and mail allow companies to easily consolidate invoices and direct mail into one comprehensive document, helping them save on postage and printing costs.

Sources

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3. Hughs Xero Graphics “The Surprising Benefits of Color Printing”
<http://hughsteam.net/the-surprising-benefits-of-color-printing/>
4. [24]7 “Millennials vs Boomers. Are You With the Beatles or the Bieber?”
5. RICOH InfoPrint Solutions “Precision Marketing Part 1: Start Now!”



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