

On the road to a Great Statement

A Case Study

407 ETR's redesigned account statement has reduced account management costs by 38% and overall call volume by 15%.



407 ETR is the world's first all-electronic, barrier-free toll highway, stretching 108 kilometres across the top of Toronto and accommodating an average of 400,000 customer trips each workday. 407 ETR has established a reputation for being a fast, safe and reliable transportation route, and for delivering a superior customer experience. This commitment to customer service has led it to redesign its customer account statements, resulting in higher brand awareness, increased customer loyalty and usage, and reduced costs.

At a glance

Company 407 ETR (Express Toll Route)

Industry
Private toll road—world's first all-electronic, barrier-free toll highway

Challenge
Transform the company's account statements into effective communications tools that satisfy its customers' need for relevant, easy-to-understand information.

Solution
407 ETR's redesigned statements present a wealth of valuable information in customer-friendly language. The statement has reduced costs and calls to the call centre, and increased loyalty and usage.

- Benefits**
- Increased customer satisfaction and engagement
 - Increased customer loyalty
 - Fewer calls to Customer Service
 - Reduced administrative costs
 - Increased revenue
 - Logical and cost-effective means of communicating customer loyalty reward program

Statement redesign fuels customer satisfaction and puts the brakes on administrative costs

407 ETR (Express Toll Route) has been something of a pioneer since its inception. The world's first automated toll road, 407 ETR stretches 108 kilometres across the top of Toronto, and maintains a sophisticated network of cameras, computers and scanners to track where and when vehicles enter and exit. Under the terms of agreements with Canadian provinces and some American states, 407 ETR can obtain information associated with the licence plates of vehicles that travel on the toll road. The information enables 407 ETR to identify vehicle owners and generate invoices based on distance travelled and time of day.

From the outset, the popularity of 407 ETR exceeded expectations. Since it opened in 1997, 407 ETR has undergone several expansions and extensions. It now accommodates an average of 400,000 trips each workday. Although this popularity has been good news for the company, it has also created a few challenges.

Because there are no on-site toll booths, all of 407 ETR's revenues are derived from invoices sent to its users. As such, the company's ability to identify, track and bill its customers and receive timely payment is crucial to its success. Creating and managing millions of customer accounts and sending out accurate monthly statements requires sophisticated software and significant effort.

Mapping out the customer statement

407 ETR has four billing structures: company fleets; monthly invoiced customers with transponders (the devices that signal scanners as vehicles enter and leave the highway); repeat customers without transponders; and first-time customers. Designing an account statement that can accommodate all customers has been an ongoing challenge for 407 ETR.

"From the beginning, we recognized the importance of communicating clearly with our customers," says Steve Spencer, 407 ETR's Marketing Manager. "And we knew that the account statement would be an effective way to reach them. At the same time, we were forced to break new ground—no one

had ever created an account statement for an automated toll road. Despite our best research and design efforts, our first generation of account statements didn't quite hit the mark."

Large numbers of customers phoned 407 ETR's call centre asking for assistance with their account statements. Many customers asked unexpected questions about their accounts such as the total distance travelled on each trip. The company quickly recognized that including this information on account statements could alleviate pressure on its call centre.

A second factor also drove the statement-redesign effort. Initially, the company created a unique account and sent out a separate monthly statement for each vehicle, unless it was part of a commercial fleet. Many customers with multiple vehicles, though, preferred to receive consolidated monthly statements listing the trips taken by all of their vehicles. The company appreciated that this approach would reduce administrative costs and began to offer consolidated statements.

Statement reconstruction speeds flow of information

Construction team

To address these concerns, 407 ETR launched a statement-redesign project that involved several teams within the company, including the Communications and Customer Service departments. 407 ETR then hired Simplified Communications, an information design firm, to add their statement design expertise to the project.

Improvements

Given that customers had responded positively to the look and feel of the original statement, many elements were retained such as the logo placement and the address bar. However, the new statement includes much more information, and features a clean, simple layout.

In response to customers' requests for more detailed information, 407 ETR amended the "Trip Details" section to include the customer's total distance travelled. This enables customers to identify the number of kilometres travelled on each trip.

To make it easier for customers to remit payments, 407 ETR moved the tear-away remittance form to the bottom of the first

page. The mailing address for bill payment is strategically placed on the flip side of the page, which facilitates mailing.

To better serve customers, page two now includes a map that illustrates the distance between major interchanges, and a list of toll charges that explains the differences between peak and off-peak rates. This page also describes payment options and provides information about how to access customer service by phone, by mail, by fax and in person.

Redesigned statement puts 407 ETR in the fast lane

The redesign project has been an overwhelming success. 407 ETR's new statement has helped reduce call centre volumes and administrative costs, and has strengthened customer relationships.

Reduced call centre congestion

The new statement has reduced overall call centre volumes by 15%, as it is much easier for customers to find the information they want when they want it. Industry data notes that it can cost a company up to \$16 to field a single customer service agent call¹. Lower call centre volumes translate into substantial savings.

Reduced costs through encouraging speedy pre-authorized payment

The new statement includes messages promoting transponders and pre-authorized payment options. These messages have also helped to significantly reduce calls to the call centre.

"The number of customers who use transponders and register for pre-authorized payment has increased substantially since statement redesign," says Spencer.

"The new statement has also reduced the number of calls we receive, particularly from infrequent users."

Customer loyalty program drives improved customer relations

The new statement encourages customers to take advantage of the 407 ETR Rewards program, which thanks customers for their business with free weekend kilometres and savings on gas. Customers receive a customized statement that reflects their reward status.

"There's no doubt that the new statement has led to increased customer satisfaction and loyalty, and helped us build the 407 ETR brand."



Steve Spencer
Marketing Manager, 407 ETR

Great statements the key to improved customer loyalty

The benefits that 407 ETR now enjoys as a result of its statement redesign is evidence of how companies can extend the value of an existing delivery medium—the customer statement—to build brand awareness, cement customer loyalty, increase revenues and reduce costs.

Note: this is a sample statement for illustration purposes only

407 ETR
Express Toll Route

SMITH, MIKE
Account Number: 123 456 789
Bill Date: 10 Sep 05
Billing Period: 10 Aug 05 to 9 Sep 05

Total amount due: \$86.08
Please pay promptly. To save time and money, sign up for pre-authorized payments today!
You saved \$14.12 with ETR Rewards!

Account summary
Amount of previous bill \$87.56
Payment received Aug 20 05 -\$75.00
Previous balance due \$12.56
Toll charges \$86.96
Other new charges \$.68
Total new charges \$100.20
ETR Rewards -\$14.12
Total amount due \$86.08

ETR Rewards Information
Visit www.407etr.com for all the latest ETR Rewards information. Learn about the different ETR Rewards tiers and our latest promotions and helpful tips. Make sure you get the most out of 407 ETR. Visit www.407etr.com today.

Lease a Transponder
Lease a transponder, save on video toll charges, and we'll waive the \$10 activation fee and give you 20 free kilometres. Visit www.407etr.com for details.

Gas Card Reminder
If you have not already activated your ETR Rewards Gas Card visit www.407etr.com to activate today. It only takes a minute and once your card is activated it will be re-loaded at the beginning of each month, automatically.

407 ETR Rewards
In this billing period you were eligible for 250 free kilometres on weekday evening and weekday nighttime trips for a toll savings of \$38.75.
You saved \$14.12 by travelling 91.1 eligible kilometres.
You have saved \$49.62 so far this year!
Visit www.407etr.com for more details.

Account number: 123 456 789
Total amount due: \$86.08
Amount paid: \$

Toll charges per km

Time	Peak hours	Off-peak hours
Mon-Fri 6 am to 7 pm	16.25¢	32.50¢
Sat-Sun 10 am to 2 pm	16.25¢	32.50¢
Mon-Fri 7 pm to 6 am	15.50¢	31.00¢
Sat-Sun 2 pm to 10 am	15.50¢	31.00¢

Customer Service
24-hour toll-free service
Visit www.407etr.com
Call 1-888-407-0407, press 1.
Mail
6300 Steeles Avenue West
Woodbridge, Ontario L4B 1J1
(Be sure to include your account number and phone number on all correspondence.)
Fax
905-264-5315
Phone
1-888-407-0407
Weekdays: 8 am to 6 pm
Saturdays: 10 am to 2 pm
In person
6300 Steeles Avenue West
Weekdays: 8 am to 6 pm
Saturdays: 10 am to 2 pm

About your bill
Bills are issued to your monthly and are due upon mailing. If payment is not received within 37 days of the "Bill Due" indicated on your bill, interest charges may accumulate. Interest charges are daily on overdue accounts and is calculated and compounded monthly for an effective annual interest rate of 26.50%.
If your bill remains unpaid for 90 days, collection activity may be initiated and you will be subject to a Collection Fee. Failure to pay may affect your credit rating and an inability to renew or a restricted Payment Fee.
407 ETR does not send a bill if an outstanding account has no activity for three months. However, all charges are due as billed and will continue to accumulate interest until 407 ETR receives payment.
407 ETR has the sole right to determine how payments are allocated towards amounts owed.
407 ETR may request a consumer report containing personal information about you and may request a credit investigation and exchange information with a credit reporting agency.
The kilometres on this bill are displayed to one decimal. Toll charges are calculated to seven decimals.
Your privacy
Protecting the confidentiality of your personal information is important to us. We collect, use, disclose and retain your personal information only for the purpose of administering billing and payment of your 407 ETR charges. For more information on our privacy policy please visit us at www.407etr.com. Or call 1-888-407-0407 and we can mail you a copy of our brochure.

Payment options
Online
Visit www.407etr.com
Phone
Call 1-888-407-0407, press 1 to pay via American Express, Visa or MasterCard.
Pre-authorization
Pre-authorized payments will be made from your bank account or credit card will be debited 10 days after your bill date. Register today by visiting www.407etr.com or calling Customer Service.
Bank or trust company
You can pay your bill at most chartered banks, trust companies, through telephone and internet banking or automated banking machine. Please ensure you enter your 407 ETR account number on your cheque.
Mail
Make cheques payable to 407 ETR and return it with your payment stub below. If paying multiple accounts, please include payments stubs for each account with your payment. **DO NOT SEND CASH.**
In person
Visit us at 6300 Steeles Avenue West
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407 ETR
P.O. BOX 407, STATION "B"
SCARBOROUGH, ONTARIO
M1R 5J8

Canada Post offers value-added services that can maximize the value of your communications.

For more information on how you can make a Great Statement work for your business, visit www.canadapost.ca/greatstatements, email greatstatements@canadapost.ca or contact your account executive.

¹InfoTrends presentation by Barb Pellow at 2007 On Demand Conference in Boston, Massachusetts

How to make a Great Statement

In the increasingly competitive business landscape, companies continue to look for innovative ways to grab and hold their customers' attention, and gain a competitive advantage. And yet, every month, many companies overlook a valuable communications channel to the customers: customer statements.

TransPromo Marketing is the use of attractive, customer-centric transactional documents to deliver relevant promotional messages. Customer statements that employ the principles of TransPromo Marketing can increase revenues, decrease overhead costs, improve the customer experience, and enhance brand awareness and loyalty. The most effective statements can even become the cornerstone of an organization's brand strategy and marketing mix. All in all, a Great Statement, delivered directly to households and businesses, just makes good business sense.

To transform your customer statements into powerful marketing and communications tools:

Statement assessment

1. Identify the statements you currently have, and how often they go out. Compare them to other forms of communication the customer may receive containing your brand. Are your statements consistent with these other communications—in terms of tone, product and service offerings, look and feel, and branding?

2. Measure your existing documents against quantitative criteria of statement quality. See how your statements rate by going through the *Take the Test* exercise at www.canadapost.ca/greatstatements.

Planning for more effective communications

3. Identify the customer knowledge (CRM data) that can be incorporated into these statements such as purchase history, demographics and usage patterns.
4. Create a plan to incorporate this information into your statements. Make sure the information is accurate, relevant, targeted and respectful.
5. Contact a specialist statement design firm to assist with the redesign project.
6. Evaluate the redesigned statements by reapplying the *Take the Test* criteria. If the statement passes the test, proceed to implementation.

Implement, assess and improve

7. Establish methodology and metrics against which to measure the success of the new statements, and the incremental benefits incurred as a result of this new approach. Examples could include reduced call volume to call centres, additional revenue generated by cross-sell or upsell promotions on statements, and reduced billing and payment cycles.
8. Execute and track.
9. Review and improve.

About Canada Post

Canada Post is committed to helping Canadian organizations more effectively communicate with their customers. We believe that strong transactional documents can be a valuable part of an organization's integrated marketing mix.

Canada Post is pleased to provide the tools and resources our customers need to get the most out of their transactional documents. Learn more by visiting www.canadapost.ca/greatstatements.