

In e-Billing, Which Comes First? Lean or Green?

By Ed Finegold

E-billing adoption and standardization across Europe is one of the European Commission's key goals in its Europe 2020 initiative. Among the benefits stated in its report entitled "Reaping the benefits of electronic invoicing for Europe" released on December 2, 2010 was an estimate, based on a study from the Royal Institute of Technology in Sweden, that CO2 emissions could be reduced by 1 million tons per year as a result of e-billing's reduced paper consumption and transportation. Overall, however, the Commission's primary motivations for a shift to e-billing were economic in nature, relating to more efficient and accurate billing and collections. So, e-billing may be environmentally friendly, but if it wasn't also economically compelling, would anyone care?

Barriers to E-Billing Uptake

In Europe, regulation has been a primary barrier that traditionally has held e-billing back. Issues ranging from invoicing and payment standards, to complex taxation and cross-border financial rules are all in the European Commission's sights as items requiring simplification in order to drive broad adoption, which across all industries in Europe, stands at roughly 23



percent today.

With complex regulations in place, e-bills have, at times, not been recognized in some countries as official bills. As a result, customers who had opted for electronic billing still had to receive a pile of paper once per year. Outdated laws and regulations relating to items like credits and roll over balances made it difficult for companies and customers to from e-billing. As a result, most telcos struggled to achieve e-billing penetration greater than 20 percent.

"In the early days of e-billing," says Jonathan Jensen, head of business development for payments and media services for BT's Agile Media, telcos focused their e-billing discussions on "the triggers that would make that figure grow." They wondered openly whether customers would be, "attracted by

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A promotional banner for the Broadband World Forum 2011. The text is set against a background of a bright sun over a blue sky with white clouds. At the top left, the word 'BROADBAND' is in large blue letters with a green globe icon, and 'WORLD FORUM 2011' is in smaller green letters below it. The main text in the center reads '27th - 29th' and 'September 2011' in large blue font. At the bottom, 'CNIT, La Defense, Paris, France' is written in green font.

the 'green argument' or by saving money." Jensen says. And they reassessed the bill's overall role in customer communications as a "value statement" understanding that "if we could change the bill – essentially a demand for money - into a value statement – essentially an advert for the value that the customer received - this would be a major win." he says.

As a sophisticated consumer of communications services, Jensen says he finds frustrating inconsistencies in e-billing. He admits to "opting for e-billing from the first" but says "there are still things that annoy me about it." He likes receiving a personalized email that notifies him when his bill is ready and being able to review it online. But he finds it irritating, as many other customers likely do, that "sometimes there is no PDF document for you to download and, if necessary, print out. Sometimes I want to do that and it is almost impossible with some web pages."

He says such barriers are particularly irritating because many legal processes, such as opening a bank account, will require as many as three months worth of utility or telecom bill history, and this can be difficult to produce when e-bills aren't printable in an acceptable format. Jensen suggests, "a balance between pushing the right amount of information to the customer and letting him find what he wants, if he needs to." He argues, however, that pushing the entire bill is as impractical as expecting customers to go and find it themselves without useful guidance.

Going All E-Bill

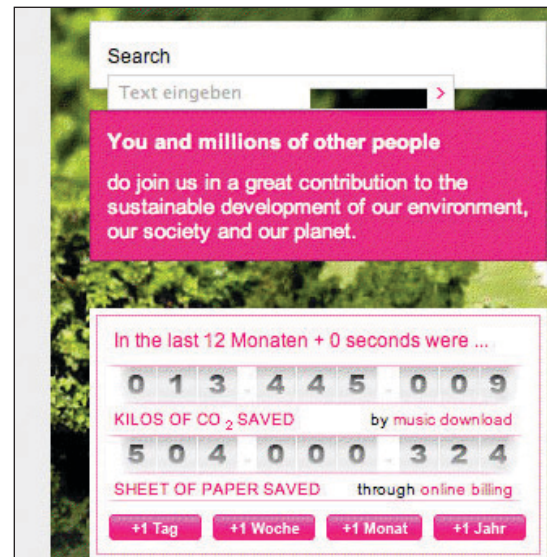
Companies like BT that are tightly regulated because they must provide services that are accessible to every part of the community have greater challenges than some of their less regulated peers. For example, iffgaaff, a UK-based MVNO, provides a mixture of incentives, promotions, forums and packages that enable customers to receive free or virtually free phone service in exchange for contributing to forums, signing up a few friends, and staying involved. In the U.S., Atlanta-based CBeyond is a next-gen provider focused on the small business market. Neither company even offers an option to receive paper bills.

But customers' and service providers' motivations to opt-in-to or offer E-billing typically differ across cultures. Money is the ultimate driver, and the measurable savings that can be achieved through

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E-billing penetration are significant. Deutsche Telekom, for example, estimates this savings at between 1 and 2 percent of its total revenue; DT's revenue from its operations within Germany alone equalled €25.1 billion in 2010.

German citizens are known to be highly conscious of environmental issues and the need to be 'green.' E-billing is promoted heavily from this point of view in Germany. Deutsche Telekom is passionate about sustainability. Its website broadcasts facts such as the 13.5 million kilograms of CO2 and 500 million sheets of paper it has saved thanks to e-billing.



Juerg Haselhoff, Vice President of Bill Presentment for Deutsche Telekom, explains that the "reduction in land and resource use and human toxicity is significant" as are the "39,000 reams of paper you save for every million bills." He places the resulting billing cost savings related to e-billing between 60 and 80 percent. With Deutsche Telekom, and its European counterparts, facing intense price competition – the price of smartphones fell 50 percent in the past year alone – it's no wonder that



e-billing is back on the agenda. It may be presented as a feel-good, go-green initiative, but ultimately it's about the bottom line.

Tree Huggers, Bank Notes, or Both?

Most CSPs now seem to realize that customers can be enticed to adopt e-billing as a result of both the ability to shave a little off their bills and help out the planet in the process. A new joint, deregulated energy offer from Cincinnati Bell and Duke Energy provides a case in point. Cost and environmental benefits are balanced across the marketing messages as both monthly costs savings, and carbon emission reduction are promoted together.

Deutsche Telekom, for example, estimates this savings at between 1 and 2 percent of its total revenue.

Calculate your savings and the impact you can make simply by switching to Cincinnati Bell Energy for one year.

<p>Go Green at a Discount</p> <p>Enter your monthly kilowatt usage:</p> <input type="text" value="1100"/> <input type="button" value="Calculate"/> <p>You'll save 34% on your electric rate, that's:</p> <p>\$33.55 this month</p> <p>Our Current Rate: \$ 0.0999 / kWh</p> <p>Duke Energy GoGreen Rate*: \$ 0.0904 / kWh</p> <p>View Savings against Duke's Standard Price To Compare</p>	<p>Switch to 100% green energy and make a measurable impact.</p> <p>Annual carbon emissions avoided:</p> <p>23,760 pounds of CO2</p> <p>That's equivalent of:</p> <p> or </p> <p>planting 1,411 Trees</p> <p>not driving 26,136 Miles</p>
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Whatever the current drivers for e-billing uptake, it seems inevitable given the growing influence of mobility in online services and the momentum behind all-electronic payments, that paper bills ultimately will all but disappear. "E-billing" will just be "billing", just as the distinction "online" is being dropped from the concept of "newspaper." With the European Commission's aggressive simplification of e-billing regulation and its economic benefits to CSPs clearly measured, e-billing's positive environmental impact is likely to be realized. In this case, however, it just seems fortunate that, for once, the tree-huggers' interests are actually aligned with those of big corporate.