

POST *Impressions*

Issue No. 15

News and views from ONEPOST
– Independent postal advice and management

How **green** are you?

We make no apologies for again highlighting the green issues associated in our industry. It was around this time last year (Issue number 9) that we set the scene regarding the 'green agenda'.

Media coverage regarding environmental issues continues to feature prominently in all our lives. As an industry we are grateful for the lead played by various trade bodies not least the Direct Marketing Association (DMA). So, it is disappointing to learn that the next direct mail recycling target is unlikely to be met. In fact, it is thought that unless urgent action is taken the 2009 direct mail recycle target of 55% will be 'missed by miles'.

This is a huge 'wake up' call to all of us. Simply, the challenge for the industry is to continue to thrive and contribute to the economy whilst lessening the impact on the environment. Effectively there has to be a change in attitudes that go far beyond lip service. The need to change is being driven by two driving forces ... the government and the consumer. We ignore them at our peril...

- 93% of consumers think business should be responsible for environmental impact (Ipsos Mori survey 2005)

- Waste prevention and more recycling are top of the Government's agenda for the direct marketing sector says Joan Ruddock (Minister for Climate Change, Biodiversity and Waste)

If these factors aren't sufficiently compelling, then remember that clients too are demanding change. Some companies could even risk being left out of tenders as environmental policies increasingly become a deciding factor in the appointment process.

We fully support the DMA with its new awareness and call to action. There is so much more that all businesses could do and a lot of it falls within the category of 'best practice'.

An early action might be to use the 'Recycle Now' logo on all mail. It's certainly being strongly encouraged by both the DMA and Joan Ruddock. These logos can be placed on your material and clearly demonstrate to the consumer that your material can and should be recycled after use. This is an initiative from WRAP (the Waste and resources Action Programme) and the process to download the artwork is really straightforward - simply log on to www.recyclenowpartners.org.uk

More industrial action on the way



As we report elsewhere, Royal Mail is still reeling from the effects of the widespread industrial action taken last year. So, it gives us no pleasure at all to see that there is fresh speculation that there could be a new wave of strike action affecting all Royal Mail customers.

The Communication Workers Union (CWU), which represents postal workers and Unite, which represents postal managers have rejected plans to overhaul its pension scheme and have started to ballot their members. If, as expected, the pension plans are rejected via the ballots a subsequent vote for strike action is virtually certain.

So, once again, businesses and households will be subject to more disruption with their various postal communications. A large number of companies switched to rival postal providers or elected for paperless billing during (or as a result of) the last dispute. In addition, Royal Mail estimates that the dispute had cost them £10 million in revenue.

There is an extra concern regarding the outcome of this particular dispute. If postal workers and managers go on strike, Royal Mail would find it difficult to offer any service. In previous disputes, it has relied on managers to keep some operations running.

Let us hope for a speedy and satisfactory resolution to what could be a pivotal moment in the development of the UK postal market.

DID YOU KNOW?

Prior to 1880 the Post Office bought or hired early bicycles or 'velocipedes' costing £6 to £8 each. However, their trials failed, mainly because it was difficult to find men fit enough to ride the bicycles.

In 1880, two tricycle posts were used as an experiment in Coventry, because it was thought that it was less tiring to ride a tricycle. The Post Office paid the riders a weekly allowance of five shillings (25p) for the tricycles' purchase and maintenance.

What a **difference** a year makes...



At the end of February Royal Mail announced that its quality of service figures for the first nine months of 2007/2008 were severely affected by the industrial action during the later months of 2007.

Royal Mail's first class delivery rate to the end of December 2007 was 83% against a target of 93%. During this period four months were affected by rolling industrial action by the workforce over pay, pensions and working conditions.

Furthermore, looking at the results in more detail, it is highly likely that Royal Mail will fail to meet 10 of its 12 annual licence targets by the end of the year, which would make it the worst annual performance since 2003 – 2004, when the company failed to meet all 12 of the targets.

Without doubt, the strike action has had an impact on the service levels returned. Nevertheless this level of performance is unacceptable or indeed sustainable in a competitive UK postal market. Customers will rightfully feel let down and will not be encouraged to see that

even with an end to the strike action, the Christmas period saw further falls in levels of service.

The real disappointment with these failing figures is that the previous year under review (2006/2007) saw Royal Mail turn in an exceptional "best ever" year for its customers when they met 11 of the 12 targets. And, as we said at the time (Post Impressions edition number 10) ... "we congratulate Royal Mail on these standards which, going forward, must be maintained".

It goes without saying that everyone genuinely hopes that Royal Mail can return to offering a high quality of service to all its customers. For a truly competitive UK postal marketplace ... we must have a strong incumbent player – i.e. Royal Mail.

ONEPOST is delighted to have become a member of the Catalogue Exchange – the first trade body with the specific aim of helping and supporting all catalogue and mail order businesses.

For more information visit www.catalogueexchange.co.uk



It's in the Post Office

There has been much recent media coverage regarding the proposed closure of around 2,500 post offices across the country. In many ways this is a reflection of our changing lifestyles and the way we now transact business.

But, it is equally true to say that the Post Office has become an integral part of local community life ... particularly in more rural areas.

The rationale for closure is not always based solely on commercial reasons but, sadly, the more 'human aspects' don't necessarily add up to a sustainable business. However, if more people did use their Post Office, then more closures would perhaps be avoided.

The mantra 'use it or lose it' comes to mind ... yet, one of the few remaining products unique to the Post Office is the Postal Order, which has seen a slight increase in use following the arrival of on line shopping sites such as eBay!

PiP need not kill interesting formats

The introduction of the Royal Mail's Pricing in Proportion (PiP) in August 2006 did cause more than a ripple in the world of direct mail. For a while it looked as though price would force many mailers to retreat to standard C5 mailing packs and abandon creativity.

Creativity has to earn its keep, but it's important to note that different approaches need not be ruled out on postage grounds. With mail order catalogues and magazines the problem is often a more practical one of trying to achieve the right balance between content, size and weight.

ONEPOST are more than happy to advise on the postage cost implications of alternative pack formats/weights... and have come up with working solutions for many clients including a square magazine and advised on the implications of carrying third party inserts to maximise budgets.

UK postal **competition** adds **£229m** to the economy

The introduction of competition to the UK postal sector in the last 4 years has boosted the economy by an additional £229m and created 3,300 new jobs, according to the findings of a new study.

The independent study, which was carried out by Europe Economics and commissioned by TNT Post, went on to predict that the opening of the postal market could benefit the economy "considerably more" by 2016 by contributing an additional £405m into the economy and the jobs figure could soar to 6,600.

Europe Economics also warned that the benefits to Royal Mail from the opening of the postal market could have been greater had it embraced change and modernisation quicker.

Against this background let's hope that the current 'bad news' articles regarding a significant downturn in Royal Mail's quality of service and possible renewed industrial action are quickly overcome with a return to normal and improved service to all its customers.

Marketing trade bodies form **best practice** alliance

Here at ONEPOST our business is very much about doing things well and creating maximum value for our customers. So, we were delighted to see that a host of marketing communications trade bodies have come together to form the "B2B Best Practice Alliance".

The alliance aims to make best practice guidelines, currently only available to trade association members, more widely available. It is expected to be particularly useful to many small to medium sized enterprises (SMEs) carrying out business to business marketing in-house.

The Direct Marketing Association (DMA) has led the initiative and if you are interested in learning more about this exciting development then visit www.b2balliance.info

And, of course, if you require some best practice information regarding how to maximise your postal budget, then please do contact us! We're here to help you.

Contact US



Our team of experts can be contacted at:

ONEPOST

**1 Gordano Court, Serbert Way
Portishead, BRISTOL BS20 7FS**

0800 138 3551

info@onepost.co.uk

www.onepost.co.uk



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