

POST Impressions

SPRING NEWSLETTER 2007 Issue No.9



A GREENER INDUSTRY WILL BE REQUIRED...



Environmental issues increasingly dominate media coverage. This very important topic affects us all in a number of ways... both at work and in our home life. As an industry dealing with letters and paper, we are all under attack from both the media and, more recently, from various government statements.

In many ways this should be viewed as a bit of a 'wake up' call to the entire industry, particularly the direct mailers who continue to struggle with the 'junk mail' image which has been a badge to wear over many years. Looking at this positively, it's pleasing to report that improvements have been made with a significant number of businesses utilising increased targeting techniques and, of course, the successful introduction of a Mailing Preference Service (MPS).

However, as we all know, good news rarely makes headlines! So, we very much support the stance taken by Rosemary Smith (the new Chair of the Direct Marketing Association) who has taken the Environment as one of her key agenda items. Part of this agenda is to try and overcome the public's perception that direct mail is the number one slayer of the environment.

Truthfully, it is highly unlikely that the 'junk mail' image will ever completely disappear. But this is not all bad news as according to some research carried out by Royal Mail, consumers view their post as 'good' or 'bad' junk. Therein lays the challenge to minimise the 'bad' and increase the 'good' with sensible offers targeted towards audiences that are likely to be receptive to various offers.

As this is such an important area, we will return to this later in the year. In the meantime, we will be monitoring specific developments amongst the UK postal operators who are currently looking at how they embrace the green issues. In particular we will be assessing how this affects any product offerings introduced for business mailers.

KEEPING YOU IN THE ZONE...

In our last edition (Winter 2007) we featured an article on Zonal Pricing. Early in March, Royal Mail submitted a revised application for Zonal Pricing following discussions with Postcomm. This proposal will be the subject of much debate and Postcomm are yet to publish a formal Consultation paper.

Postcomm is continuing to analyse Royal Mail's costing data and is shortly expected to make a decision on whether it has sufficient information to start what would be a 9 month consultation clock. Royal Mail has targeted an introduction date of April 2008, however this date appears increasingly unlikely as the weeks pass by.

There are some significant changes contained within the revised application, notably the change to the definition of the actual zones.

Zones now range from A (Business District, i.e. very high density) through to D (very low density). There will also be a Greater London zone (referred to as London) which is defined to comprise approximately the area within the M25 motorway. Discounts will be available to bulk business mail customers for deliveries to higher density zones and surcharges will apply for deliveries to low density zones. Under these proposals the London zone will also attract a surcharge.

We will, of course, keep you up to date with developments. In the meantime, if you have any queries or concerns, please do contact us.

Useful Links

The UK postal market is a multi billion pound industry and ONEPOST is proud of its links with many of the leading companies who strive to maintain standards and encourage best practice. As you will see from our 'Greener Industry' lead article, we mention both the DMA and MPS, so we feel it is timely to tell you a little more about these excellent organisations and how they fit in to the UK postal market.

The Direct Marketing Association (DMA) UK is Europe's largest trade association in the marketing and communications sector. It was formed back in 1992 and it now truly represents a strong single voice for protecting the direct marketing industry from legislative threat and promoting its development.

The stated mission of the DMA is to maximise value for its members whilst maintaining and enhancing consumers' trust and confidence in the medium of direct marketing.

ONEPOST are pleased to be members of the DMA and also sit on the Postal & Distribution Committee.

The Institute of Direct Marketing (IDM) is the leading body for the professional development of direct, data and digital marketing. Internationally recognised, the IDM acts as an expert partner to individuals and companies – including a member of our team who has completed the IDM Diploma and has maintained professional standards to hold full membership.

The Mailing Preference Service (MPS) is a free service set up over 20 years ago. MPS is funded by the direct mail industry and enables consumers to have their UK name and address removed from or added to lists used by the industry. It is actively supported by the Royal Mail and all directly involved trade associations (including the DMA). There are currently just over 3.3 million people registered on the scheme. Many of these registrations are



from people who have suffered a bereavement and simply wish to have future mailings stopped from being sent to the deceased.

Contrary to some of the media coverage, direct mailers have no wish to upset anyone or waste time and effort on messages that are not welcome. Equally true, they want to be careful not to waste valuable paper and, of course, postage.

The MPS website www.mpsonline.org.uk offers good advice regarding how to register together with a balanced view on whether people should register.

ONEPOST are working with the major carriers to provide effective solutions to undelivered mail. This helps reduce cost and waste. In an initiative with two of our major B2B customers we are helping them keep their databases updated.

We are also working with **Experian** to offer a cleansing service for consumer and business data, including de-duplication and suppressions.

Less Quantity... More Quality

Figures recently released by Royal Mail indicate that during 2006 there was a slight decline of 2.1% (for volume and expenditure) for direct mail activity during the year. According to Royal Mail the volume of direct mail sent was recorded at 5.03 billion items, with a consequent spend of £2.32 billion. So, any suggestion that there is any critical demise in the direct mail medium is a little exaggerated at this time...

However, there is evidence that companies are improving their targeting to create even more relevant offers for their customers and prospects. Linked to the 'green issues', this is encouraging

news and a trend that is likely to continue in forthcoming years.

The figures measure the whole of the direct mail market and not just those handled by Royal Mail. The overall volume figure includes mail addressed to consumers and mail addressed to businesses. Consumer direct mail volume dropped 1.6% to 3.94bn items, while business direct mail dropped 3.6% to 1.09bn.

Looking at the figures in more detail, it is interesting to note Royal Mail identified six market sectors that grew in volume. Education grew the most by 10.4%, followed by charity, up 9.5%; leisure and

entertainment, health; home shopping and mail order also witnessed growth as did some of the financial sector, in particular Building Societies who appear to be recognising direct mail as a valuable tool to attract new sales and retain existing customers.

We view these figures as encouraging evidence that the UK postal market, particularly direct mail, is still buoyant. It's our job to ensure that mailers are getting the best possible deal to stretch their budget as far as possible and receive the associated quality of service. So if you need to discuss further, then please do contact us... we're here to help you!

Added Experience

To reflect the growth in our services, the ONEPOST team is rapidly expanding. With new Business Managers joining us, we have also expanded our office based team. All team members bring industry experience and we look forward to a prosperous future helping our clients save money on their postage budgets.



MANAGEMENT

Management Team

Successfully managing a rapidly growing business in a totally new sector has taken a lot of planning and development based on a wealth of mailing experience and a thorough knowledge of customer requirements.

Graham Cooper, Managing Director. Involved with one of the country's major mailing houses at board level for many years, Graham leads the growing the ONEPOST team.

Tim Norman, Commercial Director, is responsible for all the negotiations and

agreements with the operators, ensuring the pricing and quality of the service provision is up to ONEPOST standards.

Lesley Harris, as Sales Director, brings a great deal of experience in both UK and international mail and heads up the team of Business Managers.

Business Managers

Your Business Manager is your first point of contact for any new projects, and to ensure you are totally satisfied with the service ONEPOST is delivering for you and your organisation.



BUSINESS MANAGERS

Operations

Any good operation needs a dedicated support team, and at ONEPOST we have one of the very best.

Sophie Bateman, Account Manager. Logistics is one of those words often use to overemphasise a simple job. But not with Sophie's careful planning and

management of collections and deliveries and ensuring that each and every mailing dovetails with the different carriers' requirements, including having the right postage marks for each one.

Julie Porter, Office Manager. is the person to speak to about all things financial on your account – such as setting up direct debits or credit applications, and making sure you understand the final invoice, although we've put a lot of work into making these as clear as possible.

Alan Ward, Data Processor. Alan leads the data audit process, sorting and streaming data to identify the most cost effective solution. Alan ensures sorted mailing files are sent to the mailing house along with supporting documentation and bag labels.

Luan Wise, Project Manager. Luan supports the growing team of Business Managers and manages any additional print and fulfilment requirements.



OPERATIONS

TNT Post offering REAL Choices!

ONEPOST was created to help mailers understand the choices they have and, most importantly, how to maximise the postal services budget in what is now a truly liberalised and commercial market. We also pride ourselves on our independence. This independence ensures we offer best advice for your mailing requirements having reviewed the latest products and prices offered in an ever changing market.

We have strong relationships with many of the alternative providers as well as Royal Mail themselves. One of the early new providers was TNT Mail, who have

recently rebranded their mailing arm as TNT Post UK Ltd. They have been trading since early in 2003 and were one of the first companies in the UK to be granted a long term licence to handle bulk mail and associated business mailing services. They are of course part of the TNT Group of companies that serves more than 200 countries with an extensive range of postal services.

In August 2004, TNT Post launched its Downstream Access based services and our sorting software regularly identifies TNT Post as a carrier for part, and sometimes all, of the mailing data analysed. The quality of service is excellent as is their innovative

product range which includes services such as guaranteed delivery within 2 days.

More recently, TNT Post UK have become established as the number 1 challenger in the addressed distribution market. They are committed to change the postal market in the UK by developing their own network capabilities, thereby reducing the dependency on Royal Mail for that final mile delivery.

The UK postal market now offers real choice and TNT Post are just one of several alternative providers showing a keen appetite to gain market share with great products, great service and flexible solutions.

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Royal Mail loses High Court appeal against £9.62m fine

Royal Mail has recently lost a High Court appeal to reduce the size of the £9.62m fine, issued by Postcomm last year for failing to adequately protect the mail in its care.

Royal Mail did not dispute Postcomm's finding that it breached its licence requirements to keep mail safe and secure, nor that the breach was serious. It had appealed only against the level of the fine, which had already been reduced from the original level at £11.38m.

The fine followed a Postcomm review of Royal Mail's integrity procedures for 2004/2005, which identified poor management of the recruitment and training process for agency staff and ineffective systems to prevent the loss theft or damage of mail. In the period under review, around 15.76 millions of mail were lost, destroyed or stolen and this was the basis of the fine imposed upon Royal Mail.

Postcomm's mail integrity code sets out what licensed operators must do in practice to keep mail safe and secure

and came into force on 1st January 2006. Prior to 2006, and during the period to which this penalty relates, Royal Mail was required to comply with the mail integrity procedures it had itself set up.

The mail integrity code sets out requirements to keep mail safe and secure and is compulsory for all licensed operators. Like most other postal operators, **ONEPOST** considers this as an essential area which will need close scrutiny as the postal market attracts more competition in the coming years.

DID YOU KNOW?

The red postbox is a triumph of design that is instantly recognised as a symbol of Britain, although it was invented in France. They were first introduced in 1852 by the resourceful Anthony Trollope.

In many ways they represent the two very sound principles that every home should be able to send and receive mail at the same uniform rate, and that no home should be too far from a place to post a letter. There are still many different designs to be found across the country and during the Second World War the authorities painted post box tops with a type of paint that would change colour in the event of a gas attack.

PLEASE COME AND SAY HELLO

We will be exhibiting at the following events. Please do come and meet us.

International Direct Marketing Fair

Earls Court, London. 1-3 May 2007

Business 2 Business Show

Earls Court, London. 26-27 June 2007

Institute of Fundraising National Convention

Hilton London Metropole. 9-11 July 2007

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