

POST IMPRESSIONS

NEWS AND VIEWS FROM ONEPOST



Charities can win at GDPR with post and mail

WELCOME

Welcome to the latest issue of **Post Impressions**.

It's interesting to see that Ofcom – in its latest annual 'Communications Market Report' – notes that the first JICMAIL results show how well consumers interact with direct mail and also highlights innovations in mailing packs and mail's effective use in integrated campaigns (page 8–9).

And we have a welcome reminder to charities (and other organisations) that the 'legitimate interest' test allows responsible postal marketing, where emailing would be ruled out (page 13).

And congratulations to the team at Keep Me Posted, who celebrated their fifth birthday encouraging organisations to offer paper bills and statements by post for those customers wanting them. A position fully supported by ONEPOST (page 4).

We do welcome your feedback, so please call us on 0800 138 3551 or email marketing@onepost.co.uk with your thoughts.

Best wishes,



Graham Cooper
Managing Director
ONEPOST



Post impressions is a great source of information for the postal sector, you can download back issues by scanning the QR code or visiting: www.onepost.co.uk/library/post-impressions

 **ONEPOST**[™]
Save on the things you send.

T 0800 138 3551
F 0844 249 2912
E info@onepost.co.uk
W www.onepost.co.uk

Marine View Office Park
42 Martingale Way
Portishead
Bristol BS20 7AW

CONTENTS

ISSUE 78 | SEPTEMBER 2018

04 NEWS

Five years on the campaign now counts 120 organisations who support the idea of allowing people to choose a paper bill or statement at no extra costs.

New Group CEO announces a slight dip in main UK revenue – following the now usual trend of parcel earnings up but letter income down.

06 INTERNATIONAL

With the post and delivery industry rapidly changing the future is difficult to predict – here the German operator makes an attempt at seeing what's to come.

07 REGULATORY

The DMA and Advertising Association welcome proposed EU data protection links but both look for more detail on how the industry will be affected in the long term.

08 INDUSTRY RESEARCH

Annual report shows direct mail expenditure stable while highlighting how effective it can be – integrating well with innovative multimedia campaigns.

UK heatwave prompts 'fun in the sun' online spending increase in June – but Barclaycard warns that a third of Britons have spent more than normal already this year.

11 SECTOR FOCUS: PUBLISHING

Regulator looks at the sources of news used by teenagers and adults – with magazines beating newspapers and television as the most reliable.

12 SECTOR FOCUS: MAIL ORDER

The quality of British brands have a strong appeal for a quarter of online French consumers – with an average spend of £50 per month on UK sites.

13 NEWS

ICO online guidelines confirm charities can make fundraising appeals 'without consent' – providing they can show legitimate interest and minimal privacy impact.

14 INNOVATION

As online shopping increases so does the level of parcel fraud with a fifth of customers reporting failed delivery – so new technology requires electronic identifications.

15 PEOPLE

Former Attorney General has been appointed to head up the Department responsible for the thriving advertising marketing and publishing industries.

CONTRIBUTORS



ONEPOST Managing Director Graham Cooper was a founder Board Member of the Direct Marketing Association (DMA) and has represented the industry in negotiations with Royal Mail as well as working on the Mailing House Council and Postal Affairs Committee for many years.



Eric Austin is an independent direct marketing consultant, who until recently chaired the DMA Financial Services Council (for over 8 years). Eric is a fellow of the Institute of Direct & Digital Marketing (IDM).



Experienced agency-side account director **Paul Fulton** now works as an independent copywriter and creative consultant.



Celebrations all round as 'Keep Me Posted' reaches its fifth birthday

FIVE YEARS ON THE CAMPAIGN NOW COUNTS 120 ORGANISATIONS WHO SUPPORT THE IDEA OF ALLOWING PEOPLE TO CHOOSE A PAPER BILL OR STATEMENT AT NO EXTRA COST

'Keep Me Posted' – the campaign to fight for consumers rights to access paper bills and statements – reached its fifth anniversary last month. Shortly after reaching this milestone, there was more welcome news, with some exciting new supporters joining the 'Keep Me Posted' coalition of charities and consumer advocacy groups.

- *Scope* and *Mencap* – charities that support people living with disabilities – joined over 100 other charitable organisations who formally support the campaign
- In addition, the Royal Society for Public Health, which champions the promotion and protection of collective health and well-being, signed up with their support
- On the consumer advocacy side, the Fair Banking Foundation and the Rural Services Network – both committed to consumer choice for billing methods as an integral part of managing one's finances – also signed up to the campaign

HAPPY BIRTHDAY, KEEP ME POSTED!

Founded in July 2013, it is now a coalition of over 120 charitable organisations, consumer bodies, trade unions and businesses (including ONEPOST) championing the right to choose – without additional cost – to receive paper bills and statements.

"Five years ago hardly anyone had heard of the campaign and even fewer cared! Now wherever we go the response we get is 'oh yes – we've heard of you'... so Happy Birthday to us but a massive thank you to you all." These were some of the comments from Judith Donovan, Chair at 'Keep Me Posted'.

ONEPOST adds its best wishes to this very worthy initiative and we shall certainly 'keep you posted' on developments with this campaign.





Royal Mail first quarter performance 'In line with expectations'

NEW GROUP CEO ANNOUNCES A SLIGHT DIP IN MAIN UK REVENUE – FOLLOWING THE NOW USUAL TREND OF PARCEL EARNINGS UP BUT LETTER INCOME DOWN

Towards the end of July, Royal Mail issued a trading update covering their first quarter 2018–2019.

Commenting on the results (covering the three months up to 24 June 2018), the new Group Chief Executive Officer at Royal Mail, Rico Black, said that the company's performance was "in line with expectations".

- Group revenue was up by 2%, but UKPIL revenue dipped by 1%. In line with recent trends it was a case of parcel revenue up by 6%, with letters down by 7%.
- Internationally, Royal Mail continues to generate impressive returns with GLS (its European parcels business) showing a rise in revenue of 11% – with sales growth being achieved across almost all markets.

During the period under review, the application of the General Data Protection Review (GDPR) came into effect. Royal Mail recognises that some customers remain uncertain about the application of GDPR and continue to work with customers to find solutions for their marketing mail needs.

Of course, under these new regulations, organisations can continue to use direct mail without the permissions required for email marketing (see page 13).

OFCOM INVESTIGATES QUALITY OF SERVICE

Meanwhile, the regulator Ofcom is currently investigating Royal Mail's quality of service

performance last year (2017–2018). Commenting on this investigation, Royal Mail said: "We welcome the opportunity to continue discussions with Ofcom about a number of factors that impacted our quality of service performance, as well as the actions we have taken to address those challenges."





Deutsche Post DHL reveals key trends for postal sector

WITH THE POST AND DELIVERY INDUSTRY RAPIDLY CHANGING THE FUTURE IS DIFFICULT TO PREDICT – HERE THE GERMAN OPERATOR MAKES AN ATTEMPT AT SEEING WHAT’S TO COME

Across the world, continued e-commerce growth, changing consumer demands and shifting business economics are changing the post and delivery industry at a rapid rate. As a result – and to drive profitable growth while addressing these market shifts – postal organisations have to understand and meet the key trends shaping the industry.

Predicting the future can of course be fraught with danger. The impact of some trends will not materialise and innovation does not necessarily follow a linear path. But the postal operator Deutsche Post DHL recently researched and revealed 28 key trends that could impact the logistics industry in the next 5 to 10 years.

Developed by the DHL Trend Research Team, the 2018–2019 Logistics Trend Radar makes interesting reading.

TECHNOLOGY

- Technology will become widespread in logistics as the cost-performance ratio tips towards key trends such as AI in the next few years.

- One trend that can accelerate this is the spread of next generation wireless networks that can significantly increase the economics and value derived from connectivity in the supply chain.
- Another trend is Blockchain, where there has been a lot of hype and promise for the technology, but achieving industry buy-in may prove a hurdle to adoption.

SUSTAINABILITY

- Sustainability will become a mandate to operate in the logistics industry, as governments, cities and solution providers commit to sweeping agreements to cut down on CO₂ emissions and waste.
- Green Energy Logistics (the electrification of logistics fleets and facilities) provide significant potential for logistics to become more environmentally friendly.
- Smart containerisation in transportation will also be important in developing environmentally friendly formats for delivery in congested cities.



Marketing bodies welcome Brexit plans – but demand clarity

THE DMA AND ADVERTISING ASSOCIATION WELCOME PROPOSED EU DATA PROTECTION LINKS BUT BOTH LOOK FOR MORE DETAIL ON HOW THE INDUSTRY WILL BE AFFECTED IN THE LONG TERM

As Brexit continues to rumble along at the national level, the UK marketing industry is also seeking clarity about how life will be for marketers following Brexit on 29 March next year.

On 18 July the Government released its long-awaited White Paper 'The Future Relationship between the United Kingdom and the European Union', which was largely well-received by trade bodies, but they remain unhappy with the lack of details about how the withdrawal from the EU will affect the industry in the long term.

In the document, the Government reiterates:

- There must be a free flow of data between the UK and EU states
- The UK Information Commissioner's Office must retain links with other EU data regulators and Brussels' chiefs.

However, it only implies that Commissioner Elizabeth Denham should retain her place on the new European Data Protection Board, rather than demanding it.

The Direct Marketing Association (DMA) Group Chief Executive Chris Combemale said: *"The DMA supports the Government's position on the free flow of data in the Brexit White Paper. We have consistently advocated for a robust UK–EU deal on data protection that would ensure organisations could exchange data freely, much as they do now."*

Meanwhile Advertising Association Chief Executive Stephen Woodford also welcomed the positive proposals on data protection, adding that cross-border data flows are essential to a healthy advertising ecosystem which is increasingly digital and global in nature.



Matt Brown, Flickr © BY 2.0



Ofcom issues new Communications Market Report

ANNUAL REPORT SHOWS DIRECT MAIL EXPENDITURE STABLE WHILE HIGHLIGHTING HOW EFFECTIVE IT CAN BE – INTEGRATING WELL WITH INNOVATIVE MULTIMEDIA CAMPAIGNS

Early in August Ofcom published their annual 'Communications Market Report'. The report highlights continuing changes in how UK consumers use communication services including TV, Radio, Telecoms and networks, Internet and on-line content and Post.

In line with the media and telecoms sectors, the postal sector has been affected by digitisation and the growth of internet services.

- During 2017 revenues for addressed letters fell by 6% to £4.1bn, but this was offset by a 5% rise in parcels revenues to £9.3bn.
- Six in ten people have used next-day delivery for online purchases, but only three in ten have used same-day delivery in 2018.
- The proportion of letters carried by downstream access providers increased by 2% to 62% of addressed letters – as overall access volumes fell slightly by 1%.

DIRECT MAIL STABILISES

The decline in direct mail advertising fell by 2% in real terms to £1,753m in 2017. This is in comparison with a 10% real-terms decline between 2015 and 2016.

According to data from WARC/Nielsen, the mail order sector accounted for just under a quarter (23%) of direct mail expenditure in 2017. The government and political organisations also spent heavily (probably as a result of the General Election in 2017) with both at 18% total expenditure.





COMMUNICATION

INTERACTIONS WITH AND INNOVATIONS IN DIRECT MAIL

The report recognises that in January 2018 JICMAIL (the new joint industry committee for the measurement of direct mail in the UK) published its first figures. They showed that:

- The average reach (the number of people in a household who interact with a piece of mail) of a piece of addressed mail in the UK is 1.2
- And each piece of mail is interacted with an average of 4.2 times over the next 28 days.

Consumers interact with mail they receive from companies in a variety of ways – reflecting both the type of mail and the organisation behind the mailing. For example, 35% of adults in Great Britain said they had used a voucher or coupon sent to them in a piece of mail (other than a statement/bill) from an organisation with which they already had a relationship, while 28% of people said this type of mail had resulted in them going online.

Innovations include the use of QR codes or NFC tags in mailshots to provide an easy way for recipients to engage with digital content designed to supplement the mailshot, including augmented reality (AR) or virtual reality (VR) experiences – with some mailshots even including cardboard VR headsets for use with the recipient's phone.

INCREASES IN PARCEL VOLUMES IN THE UK ENCOURAGE FURTHER INVESTMENT

Parcels volumes grew by 12% between 2016 and 2017 to 2,342 million items, reflecting the continuing growth in e-commerce.

In response to growth in the market, parcel operators in the UK have continued to invest in new equipment and facilities. Royal Mail has announced its intention to build a new mail centre in Inverness to deal with the increases in parcel volumes better.

E-COMMERCE AND INNOVATION IN DELIVERY MARKETS

Meanwhile, with the continued growth in online retail, the report highlights that people are now purchasing significantly more clothes, accessories, and health and beauty products than five years ago.

- The number of people who said they had bought clothing/accessories or jewellery online in the previous 6 months increased by 7% to 40%.
- 41% of online shoppers say that they would only buy items online if they could return them free of charge.

In response, parcel operators have developed specific products for retail returns for their e-commerce customers – including tracking and pick-up from a post office/parcel shop or the customer's premises.



Online retail benefits from World Cup effect and summer sunshine!

UK HEATWAVE PROMPTS 'FUN IN THE SUN' ONLINE SPENDING INCREASE IN JUNE – BUT BARCLAYCARD WARNS THAT A THIRD OF BRITONS HAVE SPENT MORE THAN NORMAL ALREADY THIS YEAR

IMRG Capgemini e-Retail Sales Index UK has reported online retail sales continued to grow in June, with sales up 16.9% year-on-year. The growth in June is also reflected across online retail sales, which have been on the up for the whole first half of 2018.

- Both multichannel and online only retailers performed well (+14.8% and +19.7% respectively).
- Unsurprisingly, the largest sector increase was seen in Garden (up 49.9%) which was attributed to the influence of the World Cup with barbecues and generally enjoyment of the hot weather here in the UK.



- The summery weather also influenced an upturn in the Clothing sector with sales up by 19.3% year-on-year.
- However, Health & Beauty and Gifts sales were slightly more subdued with growth at 9.9% and 10.5% year-on-year.

So, overall a robust performance, but there is some caution ahead owing to political uncertainty and interest rate increases. This is a point recognised by Bhavesh Unadkat, principal consultant at Capgemini: *“We might question the longer-term effect as Barclaycard report that one in three Brits have spent more than normal so far this summer. This could result in a slowdown as customers align the potential overspend so far this summer, in the later months of the year – supported by 4 in 10 saying they will hold off purchasing big ticket items.”*

The IMRG Capgemini Index, which was started in April 2000, tracks 'online sales', which are defined as 'transactions completed fully, including payment, via interactive channels' from any location, including in-store.



Ofcom Report reveals magazines are accurate, trustworthy and impartial

REGULATOR LOOKS AT THE SOURCES OF NEWS USED BY TEENAGERS AND ADULTS – WITH MAGAZINES BEATING NEWSPAPERS AND TELEVISION AS THE MOST RELIABLE

A recent research report reveals that magazines are rated more favourably than any other news platform for quality, accuracy, trustworthiness and impartiality.

This was a key finding from Ofcom when publishing its '2018 News Consumption in the UK' report. The research recognises that the way in which we receive news is changing, with consumers now getting their news fix from 6 or 7 individual sources.

The report looks at how adults and 12–15-year-olds in the UK, consume news across television, newspapers, radio, social media, other internet sources, and magazines.

Participants rated sources based on statements and ranked magazines the highest across the board for the following:

- “Is important to me personally” (78%)
- “Is high quality” (82%)
- “Is accurate” (83%)
- “Is trustworthy” (80%)
- “Is impartial” (77%)
- “Offers a range of opinions” (79%)

- “Helps me make up my mind” (80%)
- “Helps me understand what’s going on the world today” (84%)
- “Has a depth of analysis and content not available elsewhere” (84%)

In an era of so called ‘fake news’ it is not surprising that social media was the lowest-ranking platform based on these statements – with rankings recorded between 39% and 59%.

Only 39% of participants considered social media to be a trustworthy news source – compared to 63% for newspapers, 70% for television and 80% for magazines.

One in ten adults claim to consume news via magazines and, of these, around one in six say they read *Time*, *The Week*, *The Economist* or *Private Eye*.





One in four online shoppers in France have purchased from a UK site

THE QUALITY OF BRITISH BRANDS HAVE A STRONG APPEAL FOR A QUARTER OF ONLINE FRENCH CONSUMERS – WITH AN AVERAGE SPEND OF £50 PER MONTH ON UK SITES

Royal Mail have recently analysed shopping trends in France and found that one in four French online shoppers have purchased from a UK site in the previous three months.

- With these shoppers, the average spend on UK websites was £50 per month
- The average French online shopper is 48 years old – and more likely to be female and live in an urban setting
- Clothes, books and footwear are the most common products for French shoppers to buy
- A hunger for British brands (72%), quality of produce (76%) and the unique British character (83%) helped to win British customers.

A spokesperson for Royal Mail said: *“It’s important for retailers to understand the distinct shopping habits of consumers in different countries. Although French shoppers are less likely to shop on mobile than the UK average, there has been some shift towards mobile since 2015. The French e-commerce market does lag behind other*

markets but online spend as a proportion of total non-grocery spend is above the international average and retailers should be prepared for this to increase.”

With regards to delivery, the study found that French shoppers are more likely than their international counterparts to have goods delivered to convenience stores (17%), significantly higher than the average international shopper (5%). While just over a third (34%) of French customers have their parcels delivered to a parcel shop, home deliveries, as to be expected, remain the most popular location to receive deliveries.





Charities you can win at GDPR – with Post and Direct Mail

ICO ONLINE GUIDELINES CONFIRM CHARITIES CAN MAKE FUNDRAISING APPEALS ‘WITHOUT CONSENT’ – PROVIDING THEY CAN SHOW LEGITIMATE INTEREST AND MINIMAL PRIVACY IMPACT

The introduction of the GDPR means that under the new regulations charities can continue to use direct mail – without the permissions needed for email marketing.



This much needed good news comes direct from the Information Commissioner's Office, where within the GDPR Charity FAQs, it has confirmed that consent to market to donors is not required if you are using direct mail and relying on legitimate interest.

Its states that *"you won't need consent for postal marketing ... you can rely on legitimate interests for marketing activities if you can show how you use people's data is proportionate, has a minimal privacy impact, and people would not be surprised or likely to object."*

And this isn't just good news for charities – this applies to all businesses.

It's reassuring to know we can all continue to use postal direct marketing to build advocacy and develop relationships with our prospective customers and donors.

If you're looking for information or guidance on how to get the most out of your mailings please do contact our expert team at ONEPOST on 0800 138 3551.





Worldpay 'Pay-by-drone' technology unveiled

AS ONLINE SHOPPING INCREASES SO DOES THE LEVEL OF PARCEL FRAUD WITH A FIFTH OF CUSTOMERS REPORTING FAILED DELIVERY – SO NEW TECHNOLOGY REQUIRES ELECTRONIC IDENTIFICATION

Worldpay, the payments provider, are investigating the use of drone technology to help combat the growing issue of parcel fraud.

The growing popularity of online shopping has driven the value of the UK parcel market to nearly £10 billion but, as a consequence of this growth, there has been a significant rise of parcel fraud.

According to Citizens Advice, missing items was one of the most common problems with online shopping deliveries last year – with more than one in five (21%) online shoppers reporting the failed arrival of expected parcels.

- The Drone Pay proof-of-concept uses EMV contactless payment technology to verify the identity of the recipient, ensuring a parcel is delivered to the right person at the right address.
- The drone lands on a drone landing pad which acts as the customer's doormat. When the drone lands to drop off the package, the card details stored within the doormat are read automatically.

- If the information matches that of the correct recipient, the parcel is released.

Worldpay commissioned Opium Research to assess the appetite for the use of drones. It questioned more than 20,000 consumers worldwide, including more than 2,000 in the UK.

The findings show that UK shoppers are now at a tipping point for drone adoption: 39%

are ready to embrace delivery by drones, compared to 34% hanging back.

There was even greater support for having a drone collect unwanted items, with 41% of shoppers willing to try the technology for returns. Worldpay also suggests that an on-going overhaul of the UK's air traffic control system means drone deliveries could become a reality as early as next year.





DMA & Publishers Association welcome new Secretary of State for the DCMS

FORMER ATTORNEY GENERAL HAS BEEN APPOINTED TO HEAD UP THE DEPARTMENT RESPONSIBLE THE THRIVING ADVERTISING MARKETING AND PUBLISHING INDUSTRIES

Early in July Theresa May was forced to make changes to her cabinet.

As a result Jeremy Wright QC MP was appointed as Secretary to the Department of Digital, Culture, Media and Sport (DCMS), replacing Matt Hancock MP.

DCMS is important to the marketing industry and the Direct Marketing Association (DMA) welcomed the appointment. The DMA has had a close and productive working relationship with the DCMS for many years and their Chief Executive Officer, Chris Combemale commented: *"The DMA worked closely with Matt Hancock, who was a passionate supporter of our industry, on various challenges, from GDPR implementation, changes to ePrivacy and the free flow of personal data.*

"I congratulate Jeremy Wright on his promotion to DCMS and look forward to working with him to ensure the UK's thriving advertising and marketing sector continues to be a global leader. This is a critical time for

the marketing sector, which is grappling with GDPR implementation and planning for the effects of Brexit. It is paramount for marketers that a data deal is struck with the EU that facilitates the frictionless transfer of personal data."



Jeremy Wright QC MP

Stephen Lotinga, Chief Executive Officer of the Publishers Association also welcomed the appointment and looked forward to working with the new minister. He added: *"It's a crucial time for publishing and the creative industries more broadly, as we are currently facing a range of issues that are vitally important to the future health of our sector – including copyright, VAT on digital and Open Access."*

