ISSUE 79 • WINTER 2018

POST IMPRESSIONS

NEWS AND VIEWS FROM ONEPOST

ONEPOST™

Save on the things you send.

WELCOME

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

While Royal Mail's most recent figures confirm the parcels business is performing well (page 5), the company is thinking quite creatively to support direct mail with a Christmas Incentive (page 8) and in offering magazine publishers a new service (page 13).

Perhaps the most interesting development is the slightly strange sounding Partially Addressed Mail which is being tested. This uses the power of postcode analysis without using personal data and is claimed to be a 165 times more effective than door drops and could prove a useful customer acquisition tool (page 11).

May I take this opportunity to wish you and your families a Merry Christmas and a Happy, Prosperous and Peaceful 2019 – when we'll be back to do our best to keep you up-to-date with the latest news. Please follow us on Twitter @ONEPOST_UK and check our LinkedIn company page.

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

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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.

ICO pave the way for a regulatory sandbox

THE INFORMATION COMMISSIONER'S OFFICE IS CONSIDERING CREATING A 'SAFE SPACE' FOR ORGANISATIONS TO SEEK ADVICE AND TEST NEW PRODUCT OPTIONS FOR USING PERSONAL DATA

Back in September, the Information Commissioner's Office (ICO), which is responsible for enforcing GDPR and data protection in the UK, launched an initial consultation, calling for evidence and initial views, on its proposed regulatory sandbox.

SO, WHAT IS A REGULATORY SANDBOX?

According to the Direct Marketing Association website (www.dma.org.uk), it allows organisations to test new ideas and develop new products while ensuring that consumers are protected.

The ICO sandbox will be a safe space where companies will be able to draw upon the expertise of the ICO when creating new services that use personal data. Organisations will be able to seek advice about how they should protect people's privacy. Data protection law will still apply but by taking advantage of the ICO expertise to limit privacy risks, companies will be able to test new ideas, products and services safely.

This call for evidence is the first stage of the consultation process. The Commissioner states that it is seeking early evidence and views on feasibility, scope and demand for a sandbox. The deadline for responding was 12 October 2018 and feedback will be used for the ICO to inform more on a detailed proposal for consultation later in the year.

Regulatory sandboxes have been successfully established by some regulators to understand and take a view on how regulation applies (or not as the case may be) to innovate products. As such, a regulatory sandbox will be immensely helpful to both the ICO and firms to work through how existing data security and privacy regulation should be enforced in a digital economy fuelled by private and public consumer data.

Latest results from Royal Mail

NEW CEO BELIEVES 'FOCUS ON CUSTOMER INITIATIVES – PARTICULAR IN UK PARCELS – IS DELIVERING BENEFITS WITH REVENUE AND VOLUME UP SIX PER CENT'

Royal Mail have issued mixed results for their latest quality of service and half-year financial results, but Rico Back, Group Chief Executive Officer, commented: *"In my first few months as Group CEO, a great deal of work has already been done to review our business and our strategic direction. Our focus on customer initiatives – particularly in UK parcels – is delivering benefits, with revenue and volume up six per cent."*

QUALITY OF SERVICE RESULTS – QUARTER 1, 2018/19

- First Class mail was recorded at 92.1% of items being delivered next working day – against 93.0% target
- Second Class was at 98.8% being delivered within three working days – against 98.5% target

During the same period Downstream Access (DSA) deliveries were recorded at 95.6%. Whilst there are no performance targets for DSA, Royal Mail aim to deliver these mail items on the first working day after handover and acceptance.

FINANCIAL RESULTS – TO 23 SEPTEMBER 2018

- In line with recent trends, the UK parcel business is performing well with revenue and volume up by 6% in first half of 2018/19
- As a result, revenue and volume growth for this financial year is expected to be better than 2017/18
- For the same period, GLS (General Logistics Systems) revenue was up by an estimated 9%. However, labour market and other cost pressures are impacting margins more than expected.

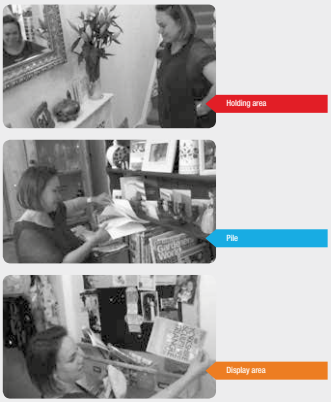
Why your Marketing Plan needs Direct Mail

CONSUMERS EMBRACE BOTH FORMS OF MAIL RECOGNISING THE CONVENIENCE OF EMAIL FOR FOLLOW UP AND FILING – BUT DIRECT MAIL SCORES HIGHLY FOR ITS BRANDING QUALITIES

MarketReach are a team of Royal Mail specialists whose key purpose is to help all of us get the most out of our investment in mail. Over the last few years MarketReach have conducted a wide range of customer surveys interrogating how consumers react to the mail we send them.

WHERE MAIL IS STORED

The Holding area, the Pile and the Display area for a single ethnography participant.

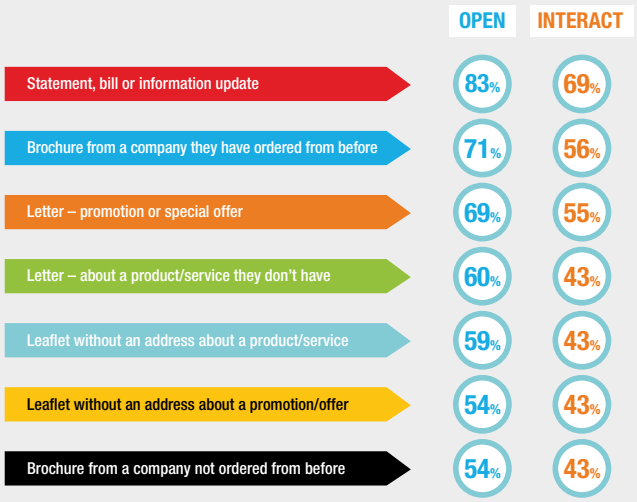


Source: Royal Mail MarketReach, Media Moments, Trinity McQueen, 2013

A pivotal piece of their research called 'The Private Life of Mail' gave us fascinating insight into some of the ways people interact with mail:

- Mail is displayed – 39% of those surveyed said they had a dedicated display area in their home for keeping mail.
- Mail is passed around – 23% of mail is shared between people in a household, and 21% of promotions and special offers are shared.
- Mail persists – Advertising mail is kept in the household for an average of 17 days, 38 days for door drops, and 45 days for bills and statements.
- People feel valued by mail – 57% say that receiving mail makes them feel more valued, and 24% valued something more highly that they could touch – over just something they could just see.
- Mail delivers results – campaign that include mail were 27% more likely to deliver top results, and 40% more likely to deliver top acquisition rates in comparison to campaign without mail.

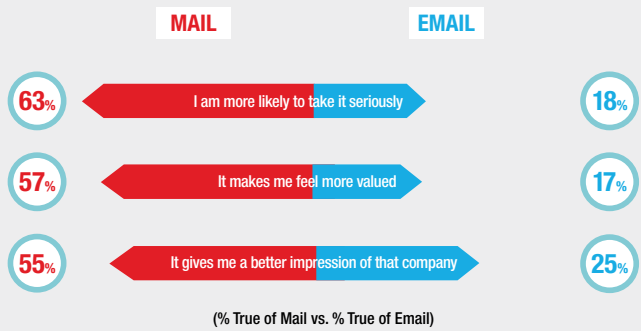
OPENING AND INTERACTION RATES FOR DIFFERENT KINDS OF MAIL



Source: Royal Mail MarketReach, Ethnographic Quant, Trinity McQueen, 2014
'Interact' is defined as having read, kept or acted on an item.
Interaction rates are shown as a percentage of overall population rather than those who opened items.

DEMONSTRATION OF THE VALUE EFFECT

The emotional impact of mail versus email, showing the 'Value' effect.



Source: Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013

The value effect shows us a key way in which physical media has an advantage in terms of overall consumer impact. A 2013 article in Scientific American shows there is still a strong preference for reading on paper, driven by the physical properties of printed information.

MarketReach reported a measurable change in how consumers react when mail is added to other media, so carefully planning mail around your TV and email campaigns will boost the effectiveness of all three.

Royal Mail Christmas Incentive announced

DESIGNED TO LET RETAIL AND WHOLESALE CUSTOMERS ADD AN ADDITIONAL MAILING INTO THEIR DIRECT MARKETING PLANS – PROVIDING AN EXTRA OPPORTUNITY TO REACH CUSTOMERS

Royal Mail have just announced the details of its Christmas Incentive for 2018, which will be available for both Retail and Wholesale customers.

This incentive has been created to encourage all of you to get an additional unplanned mailing out before Christmas.

YOU COULD ACHIEVE A DISCOUNT OF 6.863p PER ITEM

WHAT QUALIFIES?

- This incentive is specifically for unplanned, new mailings (you will be asked to provide evidence – see below)
- It's only applicable for items posted as Standard Mailmark with Advertising Mail
- Letters only
- Minimum volume per mailing is 40,000 items and no more that 1 million items

WHAT CAN I PROVIDE AS 'EVIDENCE' THAT MY MAILING IS NEW, AND PREVIOUSLY UNPLANNED?

- Your 12-month mailing and/or campaign plans dated before and after the announcement of the Promotion, highlighting your Christmas Incentive Promotion mailing

and

- Dated internal company email chain(s) or letters showing the decision-making process for agreeing your Christmas Promotion Campaign.

Or:

- Your internal business case showing an increase in advertising budget to accommodate more volume because of the Promotion;

and

- Other relevant evidence depending on the type of campaign being mailed during the Promotion Period;

and

- Email from a director confirming that the volume is incremental and that it is only being posted because of the incentive.

WHAT CAN I SAVE?

The discount is 6.863p per item, rewarded as a postage credit.

TIMINGS

Royal Mail will award the postage credits to customers who post a new unplanned mailing campaign during the incentive period, which will run from 19 November to 28 December 2018.

HOW DO I APPLY?

Applications will be accepted on a first come, first service basis

IMPORTANT DEADLINE

Application forms must be sent to Royal Mail before 20 December to be considered for the incentive – so please speak to us as soon as possible if you need us to assist with your application process.

Speak directly to your ONEPOST Business or Account contact, or call us direct on 0800 138 3551.

Christmas stamps – keeping up the festive tradition

ROYAL MAIL CONTINUE THE TRADITION OF CHRISTMAS STAMPS STARTED OVER 50 YEARS AGO WITH THIS YEAR'S DESIGNS FEATURING PEOPLE AND POSTBOXES

Royal Mail have been issuing Christmas Special Stamps since 1966 – the very first being the result of a children's art competition held on the TV show Blue Peter. The competition was judged by eight professional stamp designers who looked at over 5,000 entries!

The winners were Tasveer Shemza and James Berry, both aged six.

As the competition was so popular it was launched again on Blue Peter in 1981, with five winning designs being issued.

In 2013 Royal Mail ran the competition again, and received an astonishing 240,000 entries from children aged 4–11 years old from across the UK in response to the question 'What does the Christmas season mean to you?'

A top prize of £1,000 was given for the two overall winners and their schools. Tasveer Shemza who was one of the original winners in 1966, was invited to judge the shortlist of designs. And as with all Special Stamps issued by Royal Mail, all winning designs had to be approved by The Queen.

The stamp designs alternate each year between religious and non-religious secular images, but Royal Mail always produce a religious option on the non-religious years, for customers that like to send a religious themed stamp.

2018

This year's Christmas stamps are a set of illustrations by Andrew Davidson that depict traditional Christmas scenes with people posting their Christmas mail at various styles of post boxes – in the countryside and towns.

Royal Mail testing new product: Partially Addressed Mail

POSTAL OPERATOR HAS BEEN TESTING NEW OFFERING THAT AIMS AT PROSPECTS AT A POSTCODE LEVEL – AND CLAIMS THAT IT IS 165 TIMES MORE TARGETED THAN DOOR DROPS

What is Partially Addressed Mail?

This is a standard addressed advertising mail product that identifies customers using specialist targeting, and enables direct communication without the use of personal data.

It enables acquisition by targeting households using geo-demographics at postcode levels (c. 15 households)

Existing customers are removed, so you're not wasting your budget or sending acquisition material when someone's already a customer

It contains no personal information about the recipient – the mailings will be partially addressed to the 'occupant' or to 'holiday lover' – whatever you choose!

Partially Addressed Mail is roughly 165 times more targeted than Door Drops

With this product you are targeting at postcode level (c.15 households) and using your existing customer postcodes to target other houses in customer 'rich' postcodes and targeting software to identify similar prospect 'look-a-likes' using geo-demographic profiling.

When combined, the two profiling methods are designed to maximise customer targeting, and to give you great coverage of potential customers – helping make your campaign successful.

Topping Up:
Royal Mail profiling can help you by 'topping up' postcodes where you already have customers. This will help you have greater penetration in areas where you know your product or service is already being used.

Look-A-Likes:
Use geo-demographic profiling to find look-a-like prospects. Targeting tools like MOSAIC or CAMEO can help identify postcodes with similar characteristics to existing customers.

If you want to discuss this new product further, we would be happy to help. Please do contact one of the team here at ONEPOST 0800 138 3551.

Charity sector income rises by over £2bn in last year

CHARITY COMMISSION ANNUAL INCOME UP BY OVER £2 BILLION – IN A SECTOR THAT CONTINUES TO EMPLOY JUST OVER ONE MILLION PEOPLE.

There was welcome news for the charity sector recently, when the Charity Commission revealed that in the year to June 2018, there was a healthy rise in income.

The figures show:

- Total income for the sector in England and Wales was £76.7bn – an increase of £2.3bn on last year
- A significant amount of income (£40bn) derives from charitable activities, followed by voluntary income (£22.9bn)
- Total sector spending was £73.8bn and most of this, £64.5bn, was classed as charitable expenditure
- The sector spent £3bn on generating voluntary income.

The figures also show that the charity sector employs just over one million people – which is consistent with last year.

Here at ONEPOST we recognise the importance of Direct Mail in the charity fundraising and communications mix, and enjoy helping our wide range of charity customers save money on their mailing campaigns. If you would like to find out more about how we can help you too – please do get in touch.

You might also find it useful to check out the Institute of Fundraising (IoF) website www.institute-of-fundraising.org.uk

They have practical advice and information on how to best use Direct Mail in your campaigns, including what information you need to include and what you need to know about direct mail and data protection.

Royal Mail launch new service for publishers

UK'S SUBSCRIPTIONS ARE SET TO DOUBLE IN VALUE OVER THE NEXT FOUR YEARS SO POSTAL OPERATOR IS LAUNCHING A NEW SERVICE SPECIFICALLY AIMED AT MAGAZINE PUBLISHERS

Royal Mail have just announced a new Magazine Subscription Mail Service which will be available from January 2019. The service has been designed especially for publishers of consumer, business, membership and brand magazines and can be used in conjunction with existing Royal Mail publishing incentives.

To qualify for the service, the publication must:

- Contain at least 30% editorial content, not including advertising material. The front and back covers are not included in calculating editorial content;
- The front cover of each publication must bear its title and date, month or season of publication; and
- The title must be posted on a regular basis, at least twice a year; and
- Be in large letter format , and using Mailmark Access 70.
- The minimum daily entry requirement is 2,000 items for existing publication titles, Or, 1,000 items for new publication titles in the first year of circulation by post.

CONTACT ONEPOST FOR HELP COMPLETING THE QUALIFICATION PROCESS

Customers will need to go through a qualification process before the service starts on the 2 January, and Royal Mail is asking customers to register the titles they want to put through this service, and to send them a sample of the publications.

ONEPOST are the leading consultants on Royal Mail Wholesale products and incentives and are ideally placed to help and advise you on how to best achieve this service and the existing incentives. Please do get in touch with us and we can help guide you on the best approach.

It's the most wonderful time of the year to go online

A THIRD OF ONLINE CHRISTMAS SHOPPING STARTS IN OCTOBER OR BEFORE – BUT MOST IS BETWEEN MID-NOVEMBER AND MID-DECEMBER – WITH AN AVERAGE SPEND OF ALMOST £300

According to research commissioned by Royal Mail, UK e-shoppers spend almost £300 shopping online at Christmas – with almost a third starting in October. But if you haven't started yet, don't panic – most online festive shopping happens between 15 November and 13 December.

The research also reveals the main reasons people shop online:

- 68% state that being able to shop from the comfort of their home is key
- The ability to shop any time of the day is popular with 63%
- Whilst 48% state that it's the ease of comparing sites which appeals .

And men appear to spend slightly more than women – with an average outlay of £304 compared to women spending £271.

Consumers also seem to be raising their e-spend at a fast rate with 2 out of 5 saying they spent more in 2017, than they had in 2016. The average gift costs £42, and the average number of gifts purchased online at Christmas per person is 7.

Most popular purchases are clothes (54%), books (46%), CDs/DVDs/Computer games (42%), toiletries/make-up (32%) and toys (31%).

A spokesperson for Royal Mail said: *"It's the most wonderful time of the year but buying Christmas presents can be a stressful experience. With the convenience that online shopping provides, we are seeing more and more people make purchases online during the festive season. At Royal Mail, we're here to help consumers and businesses prepare for Christmas wherever they are in the UK."*

87% of UK retail purchases are now made online

RETAIL LOYALTY EXPERT URGES COMPANIES TO LOOK BEYOND THE 'BUY' BUTTON AS BRITISH CONSUMERS CONTINUE TO MAKE USE OF ONLINE SHOPPING CHANNELS

According to Royal Mail's annual UK Report 'Delivery Matters' online shopping in the UK has grown 9% year-on-year.

The headline finding from the report states that 87% of online shoppers in the UK make their retail purchases online (grocery shopping excluded). That's an increase of 9% compared to last year, when 80% of retail purchases were made online.

The study found over a three month period:

- Men typically spend more than women – with men spending £255 and women £204.
- Younger shoppers buy more online more frequently than shoppers of an older age.
- On average those aged between 18-54 purchased 7 items, compared to 6 for those over the age of 55.
- Smartphones are used more during the day with the laptop more commonly used in the evening.
- Much of smartphone online shopping is done while travelling or commuting and has risen to 78% - up 7% from last year.

Amit Sharma, CEO of retail loyalty firm Narvar shared his insight into how retailers and brands can improve the customer experience and boost loyalty: *"Brands and retail businesses which fail to recognise the importance of customer experience beyond the buy button will miss a trick in retaining, engaging and delighting the growing online shopping community." Sharma said. "Passing post-sale communications over to a third, such as a delivery service, is one key place where customer experiences fall short for online shoppers."*