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## IPC Strategic Perspectives

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# IPC Investigates B2B Direct Mail



**“A physical mailpiece remains the most powerful way to enter into a dialogue with the customer.”**



Although the business-to-business market accounts for twenty to fifty percent of direct mail, many posts have little insight into customer needs and the return on investment being achieved.

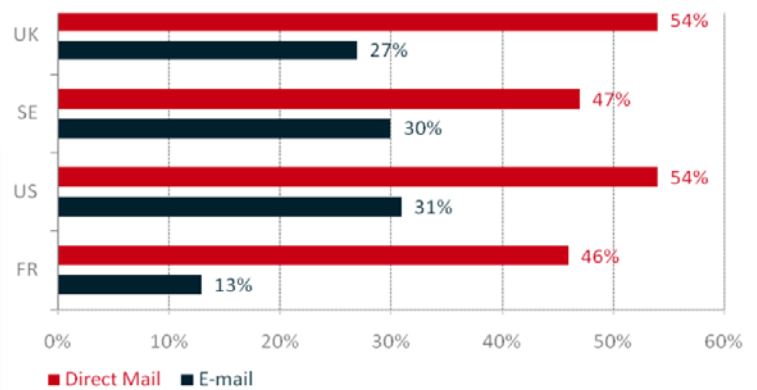
Aware of the lack of reliable, objective data on the business-to-business market, IPC commissioned market research firm Ipsos to undertake a research study which will develop into the IPC Direct Marketing Measurement System. This will provide a common research methodology with standard definitions and comparable data on the effectiveness of direct mail and its importance to national economies in terms of spend and employment.

The full research programme will be completed in 2008 and the key findings will be presented to the IPC Board in November. Initial results for the first part of the study, however, provide findings from quantitative research into the effectiveness of business-to-business direct mail.

These provisional results relate to recipients of business-to-business (B2B) direct mail in France, Sweden the UK and the US. The research was carried out in March and April 2008 using a questionnaire developed in cooperation with postal operators in the countries surveyed.

- The proportion of direct mail in the total mail bag was greatest for the smallest companies –representing as much as thirty percent
- Recipients perceive that the volume of direct mail has increased in the past two years
- Less than half the B2B direct mail is addressed to a named individual within a company, often a hindrance as the “gate-keeper” will not pass on unaddressed mail
- 58 to 65 percent of gatekeepers will pass on addressed mail to the named recipients

The chart below illustrates the read rates of direct mail versus e-mail – in all countries direct mail is more often read than e-mail advertising. France has the lowest read rate for e-mail advertising.



Source: International Post Corporation

As this is an ongoing project, IPC will continue to report on the results of the research in the upcoming issues of IPC Strategic Perspectives: Direct Mail Review.

## Business Link and Royal Mail Partner on Direct Mail Initiative



UK-based Business Link and Royal Mail have partnered-up to host a marketing event based on combining the marketing channels of direct mail and email.

The event, *Direct Mail Loves Electronic Mail* was designed to help businesses develop strong marketing campaigns that have an impact on their customers. According to Business Link, the businesses using the combined marketing channels of direct mail and email can result in a sales increase of up to ten percent.

Experts from Royal Mail discussed the value of multichannel marketing and stated that email and direct mail campaigns can spur business growth. In fact, nearly forty percent of retailers that have employed the dual approach to reaching their customers have report an increase in profits and brand loyalty.

The *Direct Mail Loves Electronic Mail* workshop compliments Royal Mail's other direct mail product offerings and research. In fact, according to Thierry Saada, director of sector marketing for Royal Mail, the post undertook a research programme that investigated consumer attitudes to marketing and the approaches used to contact them.

The study revealed that businesses that use a combination of digital channels and direct mail can increase brand awareness and increase customer spending by up to a quarter. Additionally, 55 percent of the web users surveyed stated that they preferred to be contacted by a combination of direct mail and digital.

The first interactive workshop brought local companies together in order to help participants gain a better understanding of how to contact their customers and how the multichannel approach could potentially help them gain more customers.

"The fact that the strongest statistics point to a combination of direct mail and digital activity demonstrates the need for brands to embrace a wide array of marketing channels in combination. The cut through of one can be complemented by the personalisation offered by another; benefits of each working together to achieve greater marketing success."



## Canada Post Green Mail Tactics

A recently published whitepaper commissioned by Canada Post entitled "The New Environmentalism" gives support to the post's commitment to its green mail initiatives.

The report, conducted by Harris/Decima revealed that 75 percent of Canadians polled consider environmental conservation and preservation as a matter of personal importance. While 91 percent of Canadians polled feel that general business waste is an important contributor to the environmental problems that face Canada today.

While the study did show that concerns about mail may be less pressing than some other environmental concerns, it did reveal an important fact for the post and mailers alike - more than 60 percent of survey participants said "they always think or often think about the environmental impact of mail and catalogues."

Additional data in the report shows that people are as equally concerned with the environmental impact of mail and catalogues as they are with driving, water and electricity usage, and trash disposal.

In line with the research results, Canada Post believes that marketers should look to leverage their direct mail tactics in order to target their communications which will enable them to offer relevancy to their customers. This will allow them to build strong customer relationships and potentially increase their profits.

In order to help mailers reduce their impact on the environment and to tackle many of the concerns that are addressed in the whitepaper, Canada Post developed the following guidelines for mailers.

- Make data hygiene a priority. This involves monitoring your internal database regularly for incorrect or missing fields, encouraging your customers to update their contact information and creating an in-house "do not contact" file
- Consider incorporating a mailing returns management solution by implementing back end resources to process the information
- Maintain an in-house "do not market" list, which allows customers to opt out of receiving specific types of marketing material



- Verify and update your customer information at every contact point (online, e-statements, customer service representatives, sales representatives, etc). Make it easy for customers to update their address
- Keep your mailing list accurate by subscribing to Canada Post's National Change of Address (NCOA) service and using it frequently. It's Canada Post's address database for Canadians who have moved. The NCOA software incorporates information about movers who have consented to be part of it and automatically removes deceased recipients from your list
- Use Return Postage Guarantee with customers who you haven't heard from in a while, which can help you can update your database
- Before renting an external list for prospecting, make sure you ask the list broker how recently it was updated
- Use the Canadian Marketing Association "Do Not Contact" service prior to acquisition mailings in order to remove consumers who have requested not to receive direct mail. You will save time and costs associated with trying to communicate with them
- Use the Address Accuracy Program to validate the accuracy of your mailing list each time you execute a campaign. Also, to improve deliverability, use

Address Validation and Correction Software to help repair your lists and put them into standard formats. Accurate addressing eliminates extra handling and redelivery costs, and improves the efficiency of your service

*"Creating environmentally friendly mail is not just about the materials you use, it's also about how you use them. Making simple changes to the mail you send out can not only benefit the environment, but can also be more cost effective."* **Canada Post**

## The 2008 An Post Direct Marketing Awards



An Post, the national post of Ireland, celebrated and recognised the very best in Irish Direct marketing at the 2008 An Post Direct Marketing Awards which took place on May 8th, 2008.

The judging panel had a very difficult task in selecting winners from a record number of entries with exceedingly high standards, including a number of first-time entrants. Changes in the category structure this year – including a new 'Green' Category – show how Direct Marketing in Ireland is a growing and dynamic industry.

Other categories included: automotive, charity/not for profit, financial services, FMCG, home shopping and retail, IT, pharmaceutical and healthcare, telecommunications, and travel and entertainment.

Winners included: Ford, Diageo Ireland, Microsoft, O2 Ireland, and Jones Lang LaSalle.

These awards were designed to recognise and reward those whose hard work, creativity and strategic thinking go into the world-class work that makes Irish Direct Marketing the vibrant, thriving industry it is today.

## ELTA

On April 4th, ELTA - the Hellenic Post- successfully hosted its third Mail Marketing Forum. The event which was held at the Athens Concert Hall honored the direct mail initiatives in Greece.

Under the forum's theme *Communication in a New Course*, several issues related to direct mail were highlighted, such as the role of technology in communicating and achieving results, and trends and developments in mail marketing in Greece and internationally.

The keynote speaker was Richard G. Rosen, president and ceo of Rosen Brand Interaction and a world renowned consultant and speaker. His topic was: *Convergence: Bringing the Power of Direct and Brand Together*.

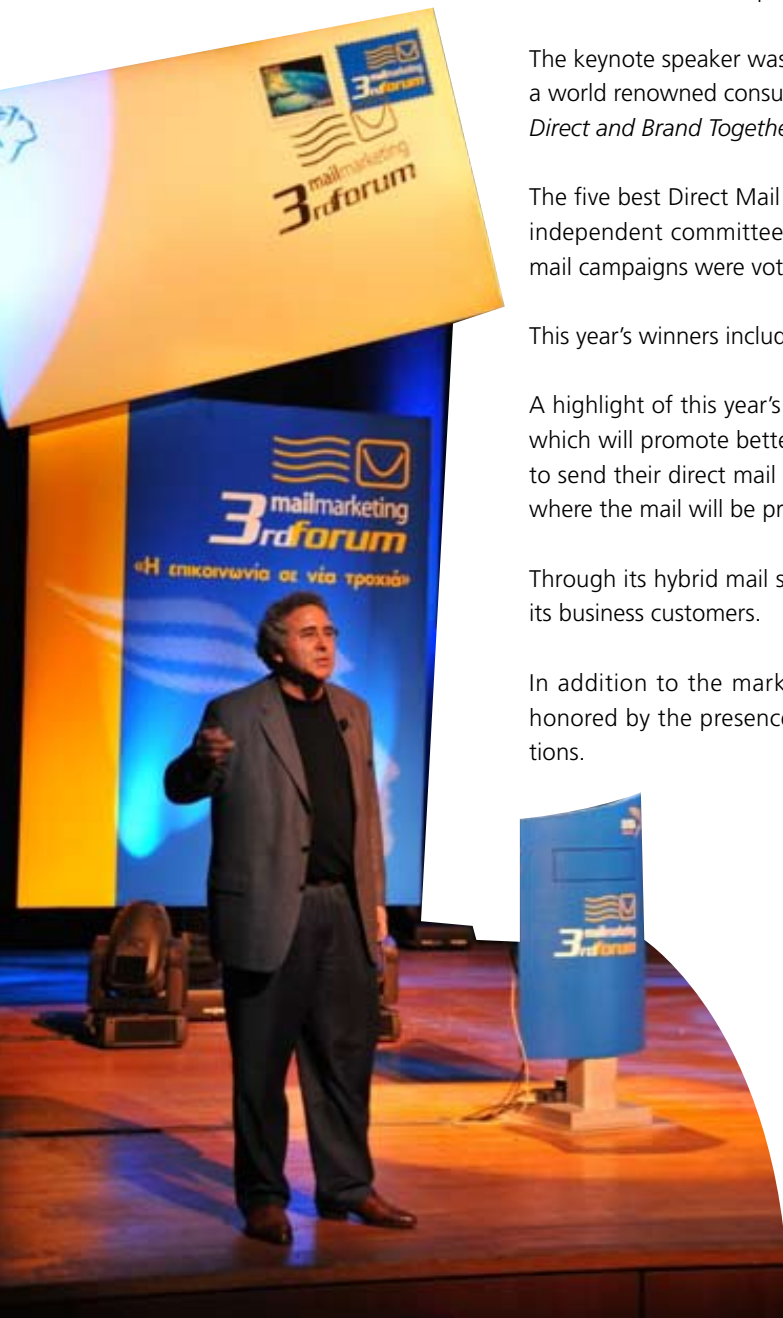
The five best Direct Mail campaigns of 2007 were presented to the forum attendees after an independent committee had pre-selected them from forty candidates. The top three direct mail campaigns were voted on by the forum attendees via a live and interactive vote.

This year's winners included: Otenet SA, Citibank International and Procter & Gamble Hellas.

A highlight of this year's forum was the post's launch of its hybrid mail service; a new service which will promote better business communications. Hybrid mail allows business customers, to send their direct mail pieces, via a live electronic connection to the sorting centre in Attica where the mail will be printed, processed and sorted for delivery.

Through its hybrid mail service, ELTA hopes meet the ever changing communication needs of its business customers.

In addition to the marketing and sales executives from the Greek market, the post was honored by the presence of Mr. Costis Chatzidakis - minister of transport and communications.





## ABOUT THIS PUBLICATION

*IPC Strategic Perspectives* is an indepth look at issues relevant to the postal industry. It will be published monthly.

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