

Market Flash

Direct Marketing Special

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Corporation

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Editorial

Dear reader,

The end of the year is fast approaching and we would like to use this occasion to thank you for your readership over the past year and to wish you a happy holiday season.

This year's last edition of the IPC Market Flash also includes a Special on Direct Marketing, giving you in-depth insights into new developments and trends in the direct marketing industry, with special interest for mail products. The Special includes an interview with Judith Donovan, Chair of Keep Me Posted, on the new Keep Me Posted campaign, which has been set up to defend the right of consumers to continue receiving official mail in a paper format.

The Direct Marketing Special also discusses a new study on the marketing communication preferences of Australian consumers. The study was commissioned by Australia Post and the ADMA and looks into the preferred marketing channels of Australians.

The Special also includes two case studies on innovative holiday period marketing campaigns which combine direct mail with online channels. Furthermore, in light of the upcoming festive season, the Special also features a comparison of postal Christmas card services in New Zealand, Poland and the US.

We hope you will enjoy reading this festive edition of the IPC Market Flash and wish you all the best for 2014.

The IPC Publications team



Top story

La Poste seeks product ideas through Open Data

Le Groupe La Poste has launched DataPoste, a collaborative, three-month innovation programme based on its own data.

The programme is linked to France's Open Data platform, which is managed for the government by the Etalab agency. It aims to speed the distribution of postal data and encourage its use by online communities in the development of services more closely aligned to the needs of the French people.

The first of three stages in the programme, DataHorizon, launched on 4 December bringing together representatives of all the group's activities to set out their innovation challenges. DataHorizon is restricted to employees and will track the group's open data strategy.

The second stage, DataScénario, starts on 8 January, bringing together postal employees, designers, developers, start-up businesses and commercial partners with a view to developing scenarios for using postal data.

The third, DataJam, will launch at the beginning of February to develop prototypes of products and services based on needs defined in the scenarios from stage two.

Source: [Le Groupe La Poste](#)



■ CANADA POST REDUCES ITS THIRD-QUARTER LOSS ■ CANADA POST HANDLES 20% MORE PARCELS IN CHRISTMAS RUSH ■ FREE INTERNATIONAL TRACKING FOR LIGHT PACKAGES ■ INTEGRATORS AND THE POSTAL SERVICE TO RAISE RATES ■ UPS CAPITAL AUTOMATES DEFERRED COD PAYMENTS ■ UPS TARGETS SMES IN MEXICO

Americas

Canada Post reduces its third-quarter loss

Canada Post has reported a pre-tax loss of CA\$129m (€89m, US\$122m) in the third quarter compared with a loss of CA\$161m (€111, US\$152) in the same period last year. The company said the reduction in losses was due mainly to a CA\$22m (€15m, US\$21m) reduction in labour costs through productivity improvement and headcount cuts.



Parcel revenue rose by CA\$32m (€22m, US\$30m) (11.2%) compared with the third quarter last year and volume increased by more than one million pieces. It was not enough, however, to offset a the loss of 73m pieces of transactional mail (7.3%), which generates about 50% of Canada Post's income.

Canada Post Group, comprising Canada Post and subsidiaries Purolator, SCI Group and Innovapost, reported a pre-tax loss of CA\$109m (€75m, US\$103m) in the third quarter compared with CA\$145m (€100m, US\$137m) in the same period last year.

The company said its current business model prevented generation of sufficient profitability and cash flow to support its operation. Canada Post expected to be required to contribute an extra CA\$1bn (€687m, US\$945m) in pension

payments in 2014. It was exploring with the government ways to address its liquidity challenge.

Source: [Canada Post](#)

Canada Post handles 20% more parcels in Christmas rush

Canada Post reports it is processing more than 34m pieces of mail a day in the run-up to Christmas, including 20% more parcels than last year.

By 9 December, the company had already delivered more than 1m parcels on four separate days and expected to do so on other days as Christmas approached. Last year it exceeded 1m parcels on just two days. Canada Post also began parcel delivery on Saturday and Sunday on 16 November and by 9 December, had made 400,000 weekend deliveries.

Over the past year, Canada Post said parcel volumes from its largest e-Commerce customers had increased by 17%. Canadians used Canada Post's digital platforms to track items more than 81m times, almost 40% more than last year.

Source: [Canada Post](#)



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Free international tracking for light packages

The United States Postal Service has reminded its customers that free online tracking is available on certain lightweight international package services to Canada, nine countries in Europe, Australia, New Zealand, Israel and Brazil.

The services offering free tracking are: First-Class Package International Service; Priority Mail International Flat Rate Envelopes and Priority Mail International Small Flat Rate Boxes.

Source: [USPS](#)

Integrators and the Postal Service to raise rates

UPS, DHL Express and the United States Postal Service have all announced rate rises for 2014.

UPS will increase its ground, air, international package and air freight rates by a net average of 4.9% from 30 December for deliveries between the United States, Canada and Puerto Rico. DHL Express has announced a 3.9% general average price increase in international services to US account holders from 2 January. The US Postal Service has received approval from the Postal Regulatory Commission to raise its rates in line with inflation, increasing the rate for a First-Class letter by one cent to US\$0.47.

Source: [UPS](#)

UPS Capital automates deferred COD payments

A business unit of UPS has announced a new service automating deferred deposits of cash on delivery (COD) cheques paid to its shippers.

UPS Capital provides UPS customers with services that manage risk and protect finances. It said its C.O.D Delayed Deposit service was designed for an estimated 33% of COD shippers that defer depositing payment when asked to do so by their customers. Until now, these shippers had held cheques manually until the agreed deposit date; the new service would save time and improve cash flow, UPS Capital said.

Source: [UPS](#)

UPS targets SMEs in Mexico

UPS has opened ten new express centres in major cities in Mexico in order to provide enhanced services to small and medium-sized businesses.

The centres provide customers with multiple service desks to reduce waiting time plus technology resources and help for shipment processing, pick-up requests and package tracking.

Source: [CEP Research](#)



Asia Pacific

AMP supports Australia Post's Digital MailBox

Australian banking and wealth management company AMP is continuing to work with Australia Post to offer its customers Australia Post Digital MailBox as a delivery option for communications.

Australia Post said AMP customers could now receive statements online, pay bills and store documents. The free service allows Australians to receive information from multiple service providers using one username and password.

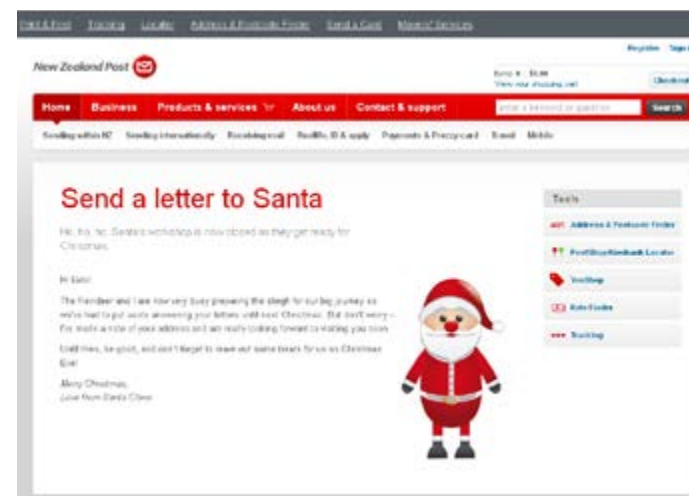
Source: [Australia Post](#)



Letters from Santa in time for Christmas

New Zealand Post is busy responding personally to every letter enclosing a stamped, addressed envelope sent by children to Santa Claus. Letters that were posted by 8 December will get a reply before Christmas, according to the company.

Source: [New Zealand Post](#)



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Europe

French e-Commerce sales forecast to exceed €50bn

E-Commerce sales in France are forecast to exceed €50bn (US\$69bn) this year in the light of 14% growth in the third quarter. The e-commerce association, Fevad, is predicting that online sales will also rise by 14% to €10.3bn (US\$14.2bn) in the peak pre-Christmas buying season.

France had seen 863,000 new shoppers entering the e-Commerce market this year, spending a total of €12.3bn (US\$16.9bn), Fevad said. The number of active e-Commerce websites had increased by 18% in one year to total 130,000.

Sales via mobile devices continued to boom showing annual growth in France of more than 98%. Marketplaces generated 11% of their sales through mobile commerce compared with 6% in the third quarter of 2012.

Source: [CEP Research](#)

La Poste consults widely prior to fixing its future strategy

Le Groupe La Poste's management committee met on 28 November to discuss future strategy, focussing on digital transformation, new services to be provided by postmen and -women and development of international parcels, public services and a retail banking model.

The new president and director general, Philippe Wahl, launched a project entitled 'Shared Trust' to involve a wider group of stakeholders including unions, consumer groups and three focus groups made up of members of the public from rural and urban areas and small businesses from all regions.

The strategic plan is to be presented to the management committee in January.

Source: [Le Groupe La Poste](#)

IN BRIEF

DPD UK to match funds raised for charity by staff

DPD UK has pledged to match £140,000 (€166,000; US\$228,610) raised by its employees for the Breakthrough Breast Cancer charity. Fundraising events and activities staged during 2013 included the chief executive Dwain McDonald gaining sponsorship of £9,000 (€10,670, US\$14,700) for spending a day as a delivery driver.



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La Poste trials a 3D printing service at post offices



Le Groupe La Poste, France, is offering a 3D printing service to businesses and the public at three post offices in Paris and Boulogne-Billancourt in a six-month trial to determine whether the service would be viable for roll-out to several towns.

La Poste said the service offers customers an opportunity to create, produce and send objects generated by 3D printers. They could either use their own files or order personalised objects from

a catalogue of several dozen items. A range of materials including plastic, ceramics and resin are offered for production of the finished item.

La Poste has trained staff at the three trial post offices to explain and sell the 3D service.

Source: [Le Groupe La Poste](#)

Progress report on actions from La Poste's 'big discussion'

The author of Le Groupe La Poste's 'Big discussion' report, Jean Kaspar, has made an assessment of progress on implementation, listing action taken by La Poste to meet

employees' needs and noting employee perceptions of progress achieved.

Jean Kaspar's report also addresses the need to tackle current economic difficulties in order to strengthen La Poste for the future. His work is feeding into a new phase in strategy planning launched by La Poste president Philippe Wahl.

Source: [Le Groupe La Poste](#)

CollectPlus moves into profits for the first time

CollectPlus, the e-Commerce parcel collection and return service in the United Kingdom, has announced it is profitable for the first time having achieved weekly volumes of more than 250,000 parcels and revenues of £14.3m (€16.9m, US\$23.3m) in the six months to the end of September.

The company said that more than 250 retail brands were now using its service representing 23% growth since March this year. Customers using CollectPlus for returns included Estee Lauder, Fat Face, Urban Outfitters and Ted Baker while other e-Commerce customers had signed up to offer a Click and Collect delivery option on their websites.

Source: [CEP Research](#)

IN BRIEF

Swiss Post publishes last posting days for Christmas

Swiss Post has published its recommended posting deadlines for Christmas mail and has announced that 80 of its biggest post offices will remain open until 16:00 on 24 and 31 December. It expects to handle up to 1m parcels and 20m letters on peak pre-Christmas posting days.



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Click and collect continues to grow in the UK

Click and collect grew in the United Kingdom by 13% year-on-year in the third quarter to account for 19% of all multichannel sales, said e-Commerce association Capgemini.



The increase was driven by heavy promotion of click and collect by large retailers with both bricks-and-mortar and e-Commerce sales channels. Click and collect sales are expected to account for at least 25% of multichannel online sales by the end of 2014, according to IMRG.

Source: [CEP Research](#)

UK Mail plans to offer flexible delivery

UK Mail is planning to introduce flexible delivery options within the next six months on the back of 21.4% growth in parcels revenue to £105.8m (€125.3m, US\$172.5m) in the six months to the end of September.

The mail and parcels company said parcels were the major growth driver, especially business-to-consumer services. Average daily parcel volumes rose by some 25% above volumes in the same six-month period last year.

Source: [CEP Research](#)

Small e-retailers in the UK invest in mobile apps

A third of small and medium-sized e-retailers in the United Kingdom have invested in mobile apps and other IT upgrades to facilitate consumer purchases from mobile devices this Christmas, according to Royal Mail.

The company said it had opened ten temporary parcel sorting centres for the Christmas period.

Royal Mail doubles operating profit at half year

Royal Mail's operating profit (after transformation costs) in the first half-year to 29 September was £283m (€335m, US\$462m) compared with £144m (€171m, US\$235m) the previous year. The company said that a one-off VAT credit of £35m (€41.5m, US\$57.1m) and £10m (€12m, US\$16m) lower amortisation costs contributed to the increase.

Revenue grew by 2%, driven by strong parcel revenue in the UK and in Europe through subsidiary GLS. Parcels now accounted for 51% of group revenue. In its outlook statement, however, Royal Mail said it had experienced a slowdown in the acquisition rate for parcels business with some customers switching volume to competitors in anticipation of strike action.

Source: [Royal Mail Group](#)

IN BRIEF

Poll finds preference for traditional Christmas cards

Research conducted by One Poll for Royal Mail indicated that 72% of the British public would prefer to receive a traditional Christmas card to an electronic greeting; 78% of survey respondents said they always sent traditional cards.



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GLS operating profits increase by 11%

Royal Mail's European parcels business, GLS, improved its operating profits by 11% to €62m (US\$85m) in the half year to the end of September.

Revenue grew 6% to €940m (US\$1.3bn) on volume that also rose by 6% to 193m items. Royal Mail chief executive Moya Greene said GLS generated 70% of its revenues in Germany, France and Italy. Challenging conditions continued in Germany; operating losses had reduced in France and strong growth both organically and through acquisition had been achieved in Italy.

Source: [CEP Research](#)

GLS expands its FlexDelivery service

GLS is introducing its FlexDelivery service in Belgium and on cross-border deliveries between Germany and Austria.

The service is free to both parcel shipper and recipient. It offers time-slot deliveries of between one and five hours depending on destination address with an option for recipients to change the delivery date or address or opt for delivery to a parcel shop.

Source: [CEP Research](#)

Poste Italiane deepens its cooperation with Russian Post

Poste Italiane is developing e-Commerce, logistics and hybrid mail services for Russian Post in an extension of the two companies' cooperation.

Under a new agreement, Poste Italiane said it would develop an e-Commerce platform where Russian consumers could purchase Italian products thereby increasing the volume of Italian exports to the Russian Federation.

The e-Commerce portal would provide integrated services including payment, shipping, customs clearance, customer service, delivery through the post's international EMS service and returns.

The company would also launch a range of hybrid mail, document management and direct marketing services on the Russian market. It is already advising Russian Post on modernisation and the introduction of financial, payment and digital communication services.

Source: Poste Italiane



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IN BRIEF

Swiss Post replies on behalf of Santa Claus

Swiss Post is sending a present and a story to every child who writes to Santa Claus this year. A team of five employees at the Christmas branch in Chiasso are handling replies. Last year, Swiss Post received 17,000 letters to Santa from children in Switzerland and abroad.

Russian Post unveils its survival strategy

Russian Post has unveiled a new medium-term strategy amid warnings from Prime Minister Dmitry Medvedev that the company could "completely disappear" without serious restructuring.

The new strategy aims to double Russian Post's annual revenues to RUB291bn (€6.4bn, US\$8.8bn) in 2018 compared with 2012. It includes the development of banking services based on the company's network with the aim of generating 15% of group revenue from banking. A draft law is designed to pave the way for a partnership with a bank.

Source: [CEP Research](#)

Swiss Post reports improved third-quarter earnings

Swiss Post achieved adjusted third quarter earnings before interest and tax (EBIT) of CHF769m (€630m, US\$867m) compared with CHF682m (€559m, US\$769m) the previous year attributing the increase in profits to "solid" income from financial and investment markets and good cost management.

In the communication (mail) market, Swiss Post's EBIT rose from CHF39m (€32m, US\$44m) last year to CHF178m (€146m, US\$201m) by offsetting a decline in revenue resulting from outsourcing to its Asendia joint venture for international consignments, against higher internal payments for services, and good cost management. Addressed letter volume fell in by 2.3% while unaddressed volume increased by a marginal 0.8%.

Parcel volumes rose by 3.7% year-on-year in the domestic market and 7.6% in the inbound and outbound international market.

PostFinance achieved an adjusted operating result of CH443m (€363m, US\$499m) compared with CHF494m (€405m, US\$557m) in the third quarter of 2012. PostBus's operating result was CHF27m (€22m, US\$30m) compared with CHF32m (€26m, US\$36m).

Source: [Swiss Post](#)

Portugal raises €580m from CTT share sale

Trading on CTT shares began on the Lisbon Stock Exchange on 5 December following the Portuguese Government's sale of a 70% stake in the company for €580m (US\$798m).



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The sale was oversubscribed seven-fold. About 60% of CTT's shares were sold directly to institutional investors with a further 10% placed via an Initial Public Offer (IPO). Employees were offered the opportunity to buy shares at a 5% discount.

Source: [CEP Research](#)

E-Commerce in Northern Europe to grow by 7.1% this year



Business-to-consumer e-Commerce in Northern Europe (the Nordic and Baltic countries) is expected to grow by 7.1% to €31bn (US\$42.7bn) this year, according to Ecommerce Europe.

Latest figures from the association indicated that the Northern European region accounts for a 9.2% share on total online sales of goods and services across Europe. Denmark accounting for the highest number of e-Commerce sales, at €7.4bn (US\$10.2bn) of total e-Commerce sales in 2012; it is expected to generate €8.32bn (US\$11.46bn) in sales this year. Norway and Sweden follow closely with projected e-Commerce sales of €8.1bn (US\$11.2bn) and €7.6bn (US\$10.5bn) respectively, and Finland with a forecasted €5.6bn (US\$7.7bn) in 2013.

Sales in the Baltic states and Iceland are lower at between €100m (US\$137.8m) and €300m (US\$413.4m) but the highest rate of e-Commerce growth – 20% to 30% – is being recorded in these countries by Ecommerce Europe.

Source: [CEP Research](#)

E-Commerce boosts parcels outbound from Lithuania

Lithuania Post said it had increased its volume of outgoing cross-border parcels by 46.4% year-on-year in the first nine months of 2013 thanks in part to agreements with e-Commerce companies shipping goods to European countries via Lithuania Post.

The highest-volume destinations for international shipments from Lithuania included the United States, United Kingdom, Germany, Norway, Denmark, Sweden, Italy, Ireland and Belarus.

Incoming international parcel volumes rose by 4% in the first nine months, said Lithuania Post.

Source: [CEP Research](#)

IN BRIEF

Acting head of PostNord logistics named

Mats Johansson, currently PostNord's head of finance and operations in the logistics division, will become acting president and head of logistics on 1 January when Henrik Höjsgaard leaves the company to become chief executive of Swedish company Proffice.



■ FRENCH E-COMMERCE SALES FORECAST TO EXCEED €50BN ■ LA POSTE CONSULTS WIDELY PRIOR TO FIXING ITS FUTURE STRATEGY ■ LA POSTE TRIALS A 3D PRINTING SERVICE AT POST OFFICES ■ PROGRESS REPORT ON ACTIONS FROM LA POSTE'S 'BIG DISCUSSION' ■ COLLECTPLUS MOVES INTO PROFITS FOR THE FIRST TIME ■ CLICK AND COLLECT CONTINUES TO GROW IN THE UK ■ UK MAIL PLANS TO OFFER FLEXIBLE DELIVERY ■ SMALL E-RETAILERS IN THE UK INVEST IN MOBILE APPS ■ ROYAL MAIL DOUBLES OPERATING PROFIT AT HALF YEAR ■ GLS OPERATING PROFITS INCREASE BY 11% ■ GLS EXPANDS ITS FLEXDELIVERY SERVICE ■ POSTE ITALIANE DEEPENS ITS COOPERATION WITH RUSSIAN POST ■ RUSSIAN POST UNVEILS ITS SURVIVAL STRATEGY ■ SWISS POST REPORTS IMPROVED THIRD-QUARTER EARNINGS ■ PORTUGAL RAISES €580M FROM CTT SHARE SALE ■ E-COMMERCE IN NORTHERN EUROPE TO GROW BY 7.1% THIS YEAR ■ E-COMMERCE BOOSTS PARCELS OUTBOUND FROM LITHUANIA ■ WNDIRECT WINS NEW BUSINESS OF THE YEAR AWARD ■ INPOST TERMINALS PROVIDE REVERSE LOGISTICS FOR SAMSUNG IN POLAND ■ METAPACK TAKES OVER GERMANY'S XLOGICS GROUP ■ DHL INVESTS €150M IN EXPANDING ITS LEIPZIG HUB ■ CHRONOPOST OPENS A BIGGER DEPOT NEAR ANGERS ■ UK MAIL TO RELOCATE HUB TO MAKE WAY FOR RAIL LINE ■ ROYAL MAIL GAINS AWARDS FOR STAFF CHARITABLE GIVING

wnDirect wins New Business of the Year award



International e-Commerce logistics company wnDirect has won the New Business of the Year award at the United Kingdom's 2013 National Business Awards. The judges said the company, founded in 2011, had gained the prize on account of its vision for growth and for exceeding its targets and KPIs.

GeoPost announced an investment in wnDirect earlier this year and congratulated it on winning the award. wnDirect operates in 14 countries, marketing services focused on overcoming the challenges of international e-Commerce expansion. The £50m (€59m, US\$82m) turnover company said it had delivered more than 10m parcels since it began trading.

Source: [GeoPost](#)

InPost terminals provide reverse logistics for Samsung in Poland

InPost has concluded an agreement in Poland with Samsung for the fast handling of product returns for repair through its easyPack parcel terminal network.

A pilot programme for selected Samsung devices ran successfully from last November. Now, InPost lockers will be available permanently for reverse logistics of warranty repairs to Samsung equipment. Samsung customers will receive a code via text message allowing them access to a locker.

Source: [CEP Research](#)

MetaPack takes over Germany's XLogics Group

UK-based e-Commerce delivery management platform MetaPack has taken over Germany's XLogics Group whose operations in Germany and Poland add 200 European carrier networks.

MetaPack supplies configurable software that connects e-Commerce shippers with 3,000 parcel carriers, alternative drop-off networks and collection and return solutions.

Source: [CEP Research](#)

DHL invests €150m in expanding its Leipzig hub

DHL Express is investing €150m (US\$206.7m) in building 44,000m² of additional warehousing, sorting and office facilities at its European hub in Leipzig in order to increase

IN BRIEF

DHL invests in the UK

DHL Express UK is investing £100m (€118m, US\$163m) in a 3,466m² hub at Manchester's Airport City and £5m (€5.9m, US\$8.2m) in a service centre at Park Royal, London, to keep pace with rising demand for export and import express services.



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IN BRIEF

PostNL expects to handle 145m Christmas cards

PostNL expects 90% of Dutch households to send Christmas cards again this year with an average of 37 cards per family. It said it was ready to process and deliver 145m cards in the run-up to Christmas.

processing capacity by 50% to more than 150,000 shipments an hour.

Work begins this month and the expanded facilities are due to be operational during the fourth quarter of 2014.

Source: [Deutsche Post DHL](#)

Chronopost opens a bigger depot near Angers

A new, 2,510m² Chronopost depot is now operational near Angers, France. It replaces an existing depot to provide processing capacity for 7,500 items a day plus an expected 15% increase in traffic.

The depot on a 12,000m² site has 45 delivery vehicle docks and seven docks for heavy lorries. It represents an investment by Chronopost of €2.2m (US\$3m).

Source: [GeoPost](#)

UK Mail to relocate hub to make way for rail line

The United Kingdom's HS2 high-speed rail project is funding the relocation of UK Mail's central hub in Birmingham which is on the planned new rail route.

The hub will move to an 18,581m² site near Coventry once planning approval is granted. Construction is due to begin early next year and operations are expected to start migrating to the new site in spring 2015.

UK Mail is investing a total of about £30m (€35.6m, US\$50m) in the new depot for upgrades to its existing facility and new, automated sorting equipment already planned. HS2 will bear other costs.

Source: [CEP Research](#)

Royal Mail gains awards for staff charitable giving

Royal Mail Group has won two awards acknowledging its employees' generosity through payroll giving, a scheme to deduct charitable donations direct from wages.

The awards given to the company at the National Payroll Giving Excellence Awards were: Most Successful Sustained Scheme by a Large Employer and Best Overall Campaign.

In the 12 months to March 2013, more than 40,000 Royal Mail employees and pensioners contributed £2.5m (€3m, US\$4.1m) to good causes. Since 1989 when the payroll giving scheme began postal employees have given more than £48m (€56.9m, US\$78.4m) to more than 1,100 charities.

Source: [Royal Mail Group](#)



Direct Marketing Special

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Feature story

Interview with Judith Donovan, Chair of Keep Me Posted

JUDITH DONOVAN
CHAIR OF KEEP ME POSTED

IPC had the pleasure of interviewing Judith Donovan, Chair of Keep Me Posted, who discussed the importance of maintaining free access to paper statements and bills and described the campaign in detail.

What is Keep me Posted and which organisations are involved in this campaign?

The Keep Me Posted campaign is a partnership of representatives from nearly forty charities, consumer groups and businesses. We have come together because we believe that we have a responsibility to fight for the consumer's right to choose without penalty how they receive important financial information such as bills and statements from banks, utility companies, media companies and other service providers. The number of groups is growing, and new partners and supporters are coming on board every week.

What are the Keep me Posted campaign main objectives?

The main aim of the campaign is:

To ensure all consumers are given a choice in how they wish to receive their bills and statements from organisations, either on paper or online.

To ensure that customers do not face a financial penalty as a result of choosing to receive paper bills and statements.

To ensure that government, regulators and companies recognise the need for consumer choice and actively promote it through adopting the campaign's six-point pledge which calls on companies to:

- offer all of their customers the choice of receiving information through paper correspondence as part of any standard offer;
- refrain from penalising in any way customers for preferring to receive information through paper correspondence;
- only cease the sending of information in paper correspondence to a customer after (and not before) the customer has specifically, voluntarily and individually opted out of receiving information on paper;
- only change the frequency of information sent to customers in paper correspondence after (and not before) the customer has specifically, voluntarily and individually agreed to the change;
- refrain from making the availability of online information to customers necessarily conditional upon having to give up their access to paper correspondence, and
- make available to customers easy mechanisms whereby a customer who has chosen not to receive paper correspondence can opt back in without penalty.



UK society is already highly digitised, can it be assumed that consumers will not require any paper-based communication in near future?

The Keep Me Posted campaign is not anti-digital but it is pro-choice. The government is increasingly moving a number of its services online and hopes to digitise the vast majority of its services by 2015.

We are asking the government and other organisations to consider the needs of the most vulnerable people in society as they rush to embrace new digital technologies, so that they do not feel increasingly isolated and marginalised. In addition, we are asking the government and the various UK regulators in their capacity as the consumer's champion to actively put in place measures to protect and promote consumer choice in this area.

Sending communications digitally is sometimes advertised as more environmentally friendly than paper communications. There is no evidence that this is true. However, switching to digital communications significantly lowers the costs for businesses. How does Keep me Posted address that issue?

Contrary to popular belief, paper is one of the few truly renewable and recyclable raw materials we have. According to WRI Data and Greenpeace (2013), pulp, paper and printing accounts for only 1.1% of the world's greenhouse gas emissions. We are not encouraging people to waste paper. Most big firms use sustainable sources for their paper,

something that cannot be said for everyone printing off financial information at home.

Let's look at the cost to businesses for a minute; the cost of printing and posting bills and statements in the volumes that they do, is only around 19p (British pence) per item. That's much less than the price they are charging people to keep their paper. In fact, one Danish company worked out that the cost of sending reminders and answering calls from customers who had email bills was almost twice as much as the cost of those who received paper bills.

What is the impact of companies turning to paperless communications for consumers?

The impact is much bigger than we originally suspected. We have had many charities contacting us about the impact the lack of paper correspondence is having on the groups they represent. From their conversations with us, four main issues have emerged. These are:

Debt: our stakeholders tell us that young people are getting into debt and running into problems trying to manage their money on smartphones and tablets. Many young people are not being taught the necessary financial skills needed in life, leaving them either financially excluded or unable to deal with their personal finances effectively. Young people's financial difficulties stem from a lack of understanding – for instance, one in 20 teenagers think they do not have to pay back credit card debt at all. Taking away paper bills and statements only adds to that confusion.

Money management: the rising cost of everyday living means it is becoming increasingly important to make the right financial decisions. Having easy access to financial information can help people stay on top of their budget, make payments on time and have a better understanding of their finances. Research from Opinium shows that 41% of people are worried they will miss a payment if they do not receive a paper bill or statement. For many people, having a paper copy of their bills or statements delivered through their letter box will make it much easier for them to keep track of their finances.

Proof of identity and proof of residence: Whilst these are both separate issues, it is becoming increasingly difficult for people to provide and prove their identity and residence, as documents such as bills and statement traditionally provided as proof are now online. Furthermore, many banks refuse to accept printed copies of online bills and statements.

Consequently the groups of people most affected by these issues are:

- carers who are often left unable to manage the affairs of a loved one;
- people with physical and mental disabilities;
- people who live in rural areas where there is limited or no broadband access;
- people on low incomes who cannot afford broadband or computers;



- young people who are learning to be financially independent;
- migrants who have to prove that they are in the United Kingdom legally, and
- older people who may lack the skills to use the internet or prefer to manage their affairs offline.

What is the current reach of the Keep Me Posted campaign?



Keep Me Posted is supported by nearly 40 organisations who between them represent the interest of millions of people in the UK. Because of their support we can really raise awareness of the campaign at a national and regional level. In fact we have recently signed up our first service provider, Wessex Water, which provides water to 2.7m customers in the South West of England. They have pledged to retain paper statements for all of their customers who wish to receive it and will also not charge for it.

**THE CONSUMER'S
RIGHT TO CHOOSE**

What were the campaign's largest challenge and success so far?

Our biggest success has by far been the overwhelming response we have had from charities and consumer groups all concerned about the impact this is having on the most

vulnerable in society. We have had great success from very concerned legislators in the UK parliament both in the House of Lords where the issue has been debated and in the House of Commons where an Early Day Motion was tabled and has been supported by a massive 10% of eligible Members of Parliament.

Our biggest challenge has been convincing some regulators that this is an issue which they really must act on, but we believe we are getting there.

What are the next steps for the campaign? Are there plans to launch an international campaign similar to Keep me Posted?

We have been contacted by publications in Europe and at least one other group hoping to set up a similar campaign on the continent. We have been speaking to politicians in Brussels and other European postal operators and interest groups. We hope to have more of a presence in Brussels next year.

How do you see post's role in supporting this campaign?

Post is key to the success of our campaign and most of our correspondence goes via post. We hope to demonstrate the importance of having a tangible medium which is relevant, engaging and useful for future reference.



Research

The most effective channels for Australian customers

The fast adoption of digital communication further fragmented the marketing spectrum, adding new opportunities but also many challenges. Today, it is more important than ever for companies to maintain up-to-date information of customers' communication channels preferences in order to derive the most return and value from their marketing efforts. Moreover, this critical data can benefit both sides of the marketing equation, creating more consumer-relevant communication efforts and lowering the overall marketing costs for businesses. It was exactly this idea that moved Australia Post to partner with the ADMA in commissioning a study "Creating connections that matter: How Australians want to hear from brands".

The study, run by an independent research company, Quality Online Research, was based on a sample of 9,641 Australians nationally and conducted online in July 2013. It investigated how useful people found various communication channels across 45 different real-life scenarios. These scenarios addressed aspects of product evaluation, purchase decision making, customer retention, switching, cross-selling, loyalty, and rewards communications in ten key industry sectors. More broadly, key questions about the state of advertising, communication channel effectiveness and influence on purchase behaviour are answered comprehensively throughout the study.

Key findings

Key research findings confirm that the Australian advertising market changed significantly in the past 13 years. Over this period, the number of internet users grew exponentially from 7.6m to 24.3m in the Oceania region. At the same time, the study identifies gaps and opportunities in marketers' current channel mix which, when looking to target sophisticated audience segments, can help optimise marketing spend in the channels most preferred for a particular target segment.

Direct mail was reported as the fifth most effective communication medium among all demographics in the survey results. Catalogues topped the ranking with 62% of respondents identifying these as the most effective advertising medium, followed by TV advertising (52%), press advertising (40%), radio advertising (32%) and personalised direct mail (29%).

Contrary to the perception of digital media in developed market segments, email marketing scored only 25%, being the most effective digital channel according to the respondents. However, media spend patterns by advertisers do not reflect customer channel preferences as three of five most effective channel categories – including catalogues and flyers, press advertising and personalised direct mail – saw a decrease in spend between 2011 and 2013 (4%, 10% and 26% respectively).

When we look at how digital media ranked in the survey, the difference in perception across the demographics was significant – younger demographics rank social media advertising, online display advertising and email marketing more effective than older demographics do, but still far from as effective as catalogues and flyers, TV advertising, press, radio and direct mail as advertising channels.



Personalised direct mail and email

The study describes in detail the attributes respondents associate with ten channel categories, this article will focus on analysing personalised direct mail and email marketing as they are often viewed as similar and interchangeable. Personalised direct mail, similarly to email, has two of the top three characteristics of the advertising channel that consumers rank as most effective: catalogues and flyers. These items are tangible and easy to take with you, show to others or file, plus direct mail can also be personalised.

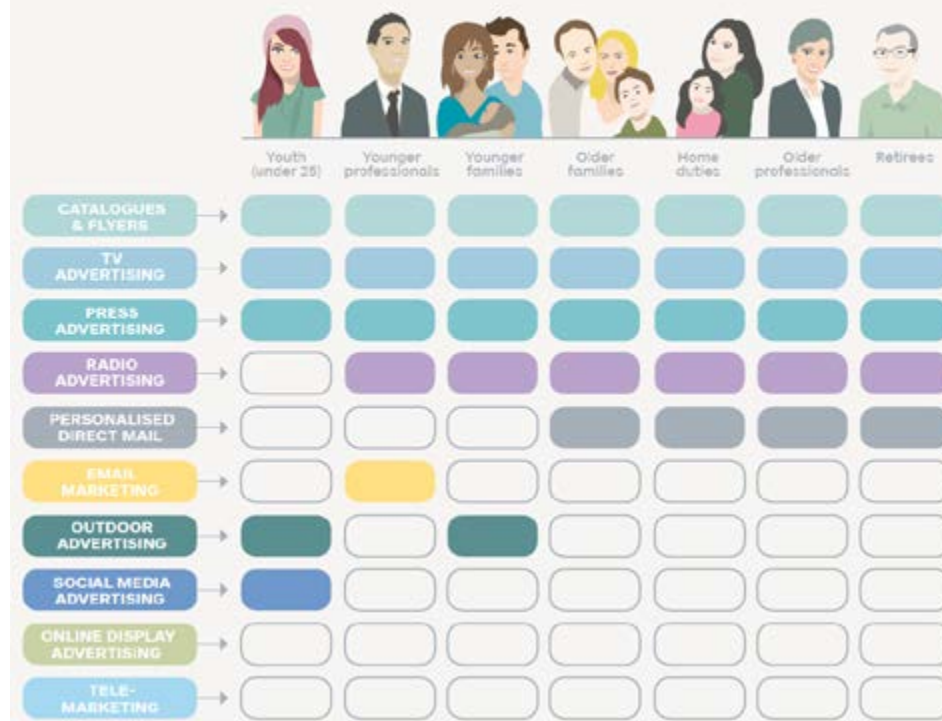
Regarding email, one of the advantages of the channel is that recipients are already online, so a website offering additional information is just a click away. This channel also ranks well with both younger and older professionals, two segments who will likely be regular users of email in the workplace. Interestingly, survey results showed that personalised direct mail is perceived trustworthy by 22% of youths (vs. 15% average across all demographics) and email was seen as most effective by retirees who thought it was often interesting and informative. Overall, men were more likely than women to say that these two channels are trustworthy and believable.

Channel effectiveness

The table summarises the findings by showing the top five most effective channels for each demographic segment.

While catalogues and flyers, TV advertising and press advertising are considered the most effective advertising channels by all segments, a one-size-fits-all approach does not apply. As we move beyond people's top three channel preferences, there are variations that can help marketers to create a multichannel mix to target key audiences more effectively. The table also highlights the disparity between the top-performing and low-performing channels, according to consumers. Note that email as well as social media advertising appear only with one demographic category (younger professionals and youth, respectively).

Top five most effective advertising channels for each demographic segment



Paths to purchase

Paths to successful purchases can be extremely complex and difficult to capture in their entirety. The graph below shows how useful specific communication channels are to Australians at different points in the purchasing cycle. The survey by Quality Online Research asked Australians to take three major categories into consideration: new customer, existing customer and switching customers. The results show that the channel marked as preferred depends on the category; however, personal direct mail was in the top four choices across all the categories.



Summary

The results of this consumer study show that Australians continue to be receptive to advertising messages. Six out of ten generally feel positive towards advertising, preferring entertaining, informative, relevant advertising messages. Advertisers must innovate in an increasingly complex world in order to capture people’s attention and engage with them.

All demographics consider catalogues and flyers, TV advertising, press advertising, radio advertising and direct mail to be effective advertising channels which influence their purchase decisions. Clearly, a multichannel mix is essential, but in many cases a revised media spend analysis from marketers may be necessary as the customers’ preferences shift.



News

New postcode system in Ireland by 2015

A postcode system with a seven-character code will be rolled out by 2015 in Ireland at an estimated cost of €16m. Ireland will be the first country in the world to have a postcode system with a unique code for every single property. The new postcode will have seven characters with the first three relating to the general area or postal district, and the other four to the specific house or apartment – for example, A65 B2CD. However, use of the postcode will not be compulsory and letters without the new code will continue to be delivered within the existing timeframes. The main reason for setting up the system is to reduce delays in deliveries resulting from the fact that 30% of domestic Irish addresses are not unique.



A consortium headed by Capita Ireland has been chosen to allocate and implement the postcodes. The Irish Data Protection Commission needs to examine the details of the new system to make sure that householders' privacy is not breached by the creation of this major new database.

One of the clear advantages of the new postcode plan, with the omnipresence of satellite navigation systems, is that a delivery driver will simply be able to insert a postcode into their device instead of a lengthy address and will be provided with the accurate location.

Direct marketers of all industries will be able to use the new system to target offers more easily at households. Postcodes will greatly benefit business in other areas, too, particularly as it is a vital prerequisite for e-fulfillment, which will enable more Irish businesses to embrace e-Commerce. An Post said it was looking forward to helping with the implementation of this new element of national infrastructure. Householders will be informed of their new postcode in early 2015 and will be able to use it from then onwards.

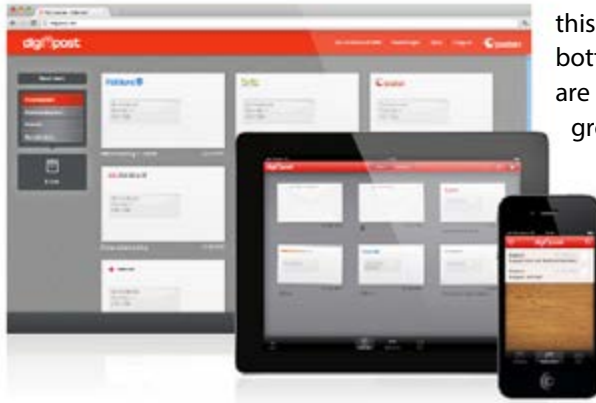
Source: An Post/Irish Independent

Norway Post ready to transform in mail area

Although helped by growth in the parcels business, Norway Post has seen its profits weaker than expected in 2013 due to strong competition in the Nordic logistics market and the continuing decline in mail volumes. Looking at the third quarter of 2013, Norway Post's mail service revenue was down 0.5% in the year to date, as its addressed mail volumes declined 5.3% year-on-year and unaddressed mail volume declined 7.7%. The company's Swedish mail business, Bring Citymail, saw its addressed and unaddressed mail volumes increase by 2% year-on-year.

Earlier in 2013, the Norwegian government expressed its intention to open the mail market fully to competition, abolishing the post's current monopoly in the letter market





for items under 50g in weight. While this policy could further affect the bottom line for the organisation, there are significant opportunities for future growth.

Norway Post said it is ready for full market liberalisation, since it already competes against other businesses in 90% of its revenue-generating fields. The digitisation of official government communication, however, may have significant

consequences for the organisation's revenues. Each year, the Norwegian public sector sends letters of a value of approximately NOK 1bn (EUR 124m). Norway Post is hoping its Digipost platform is chosen as one of the nation's official digital mailbox providers to make up for the loss in postage.

In order to maintain the digital mailbox services at a competitive price, the Norwegian government plans to enter into agreements with several suppliers of digital mailbox systems, provided that the solutions meet all standards for safety and functionality. Post Danmark's E-BOKS is a showcase example of successful government digitisation with the Danes having had digital solutions for government communications for several years. EBOOKS has helped achieve up to 80% cost savings for the public sector with over 205m documents exchanged digitally

in 2012. Post Danmark is one of the digital mailbox providers which will take part in the public tender in Norway.

Source: [Post&Parcel](#)

USPS to postpone the use of intelligent mail barcodes

The US Postal Service intended to bring in the requirement for all customers to use the full service Intelligent Mail barcode as of 2014. The Intelligent Mail barcode (IMb) Tracking would provide real-time tracking information for automation-compatible letters and flats, giving advance notice for both incoming and outgoing mail. This step would not only improve the efficiency of the postal network, but also enhance the tracking capabilities of business mail services adding opportunities to use mail in cross-channel campaigns more effectively.

However, regulators ruled in November 2013 that it could not bring in the requirement at the same time as price increases, planned for 26 January 2014. As reported by Post&Parcel, the Postal Regulatory Committee said the barcode requirement would have constituted an extra cost for businesses, and therefore was effectively an extra price increase for using postal services, which should be limited within the same inflation-based annual price cap.

USPS said being forced to delay the full Intelligent Mail barcode requirements would "hinder the Postal Service's ability to promote a technology that enhances the value of



mail, which is critical to the development of next-generation digital products and services”.

Following the deferment of its IMb requirement, US mailers would still be able to claim automation rates for their mail without complying with the IMb Full Service criteria from 26 January 2016, but “to achieve the best pricing, mailers must continue meeting Full-Service requirements”. USPS said it still aims to have 100% of its business customers meeting the Full Service requirements for more transparency and benefit of all stakeholders.

Source: Post&Parcel

Direct Mail driving loyalty in Ireland

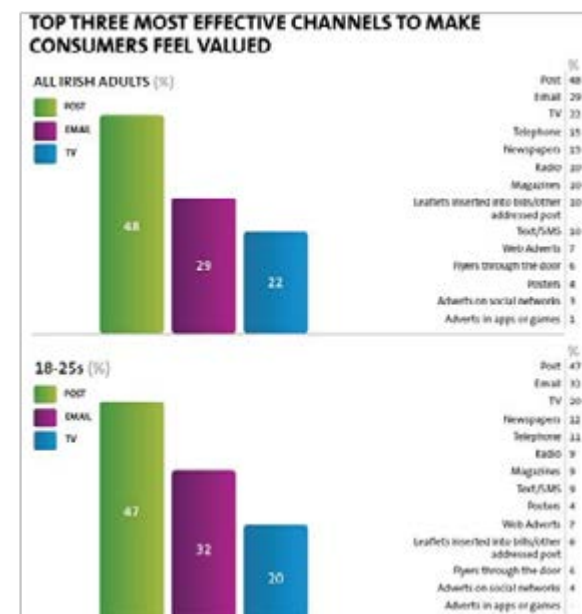
On behalf of An Post, Amárach Research conducted a number of surveys examining the trends of direct mail in Ireland. The studies explored trends from both the consumer and from the marketer's perspective. The most recent consumer study was conducted over the course of February and March 2013. This wave was based on an online sample of 1,000 respondents representative of the Republic of Ireland with an additional booster sample of 250 of 18-to 25-year-olds.

With the increasing choice of channels through which to reach customers, this research gives an overview of those which have the greatest impact. Radio, TV and email may offer a broader reach, but when it is about building genuine customer loyalty, customers want to have something tangible in their hands from the company according to the study. For

Irish adults and even more so for those under 25, the experience of receiving a piece of mail that is personally addressed makes them feel valued in a way no other advertising channel can.

The research from Amárach Research proves that consumers like receiving communications through post with 65% of those surveyed aged 18-25 saying they are excited when they go to open or check for post. That's why 70% of Irish consumers prefer to receive loyalty rewards in the post. Nearly half the respondents in the survey say that addressed post makes them feel like a valued customer. It seems that when it comes to building customer loyalty, tangible communications has secured its place in integrated marketing efforts.

You can access the full report [here](#).



Best practice

Comparison of Christmas cards services to customers

During the festive season and beyond, postcards are not only used to convey personal wishes between individuals, they are also a powerful means of communication for business-to-consumer purposes. Increasingly, postcard design and delivery services for business purposes are becoming an area of strong competition where postal operators try to distinguish their offering from all other available on the market for the increased mail volume during festive season.

This article will look closer at three postcard service providers from New Zealand, Poland and the US. Analysing the details of each providers' offers, we came up with an overview comparison of the different product elements focusing on how SMEs can use postcards to drive sales or to foster relationships with their existing customers.

SOURCES**NZ Send a Card**

<https://sendacard.nzpost.co.nz/>

Polish Post Envelo postcards

<http://www.envelo.pl/feecard/app/open/ecard/ecard.aspx>

Vertical Response postcards

<http://www.verticalresponse.com/postcard-marketing>

	NZ Send a Card	Polish Post Envelo postcards	US Vertical Response postcards
Offer flexibility – minimum volume sizes	From 1 to 1,000 (business customers up to 10,000)	From 1 to bulk (not specified)	From 1 to 5,000 (more items subject to quote)
	Postcard – 127x210mm Greeting card – 354x210mm	148x210mm or 354x210mm	6x9 inch or 4x6 inch postcard
Target group	Individual and business customers	Individual and business customers	Business customers
Special offer for business customers	Yes	No	Yes
Delivery time	3-5 working days for delivery within New Zealand; 5-8 working days for delivery to Australia; 8-12 working days for delivery to the South Pacific and the Rest of World	No specified delivery time	8-10 working days from placing an order
Free stock photos	Over 1m images available for free from Thinkstock	Some stock photos available, exact amount not given	75,000 free stock images available
Support	Detailed FAQ; email support	Detailed FAQ; support via email, phone, post – 5 days a week	7 days a week support via chat and email (phone support during weekdays)
Tutorials	Not available	Free video tutorials	Free webinar on postcard marketing success
Additional services	Option to include a gift card, mobile app for Android, iPhone, Windows	E-postage, e-letter, mobile app for Android	NA



Case studies

Just before end of year, we take a look at two most awarded, Christmas-related direct marketing campaigns from last year, a creative sustainable idea for Christmas gifts from Spain, and a Christmas song sung in unexpectedly high-speed conditions somewhere in Switzerland.

Sustainable Christmas toys

Company overview

FCC, a Spanish company that manages municipal services, including waste collection, saw Christmas as an opportunity to engage with the general public and communicate their commitment to sustainable development as well as generating a sense of belonging among employees.

Idea



FCC wanted to show that with a little imagination and a sustainable attitude, anything is possible. A group of experts was brought together to build toys using rubbish, stuff thrown away by homeowners and collected by FCC. Ten different prototypes were designed and made, which FCC employees and volunteers copied to make over 1,000 toys from recycled waste. An internet spot launched the initiative, driving traffic to

www.fromtrashtotoy.com where the toys could be ordered, free of charge.

The website showed the toys, gave instructions on how to make them and provided a video showing the phases of the initiative: design, manufacturing, preparation and the workshops at FCC's office. An original mailing was sent to opinion leaders to communicate the initiative and therefore increase its reach.

Results

More than 1,000 toys were manufactured. All were taken within 48 hours. The website received over 18,000 visits and the campaign obtained huge media coverage on national TV, in newspapers, online media and social networks including 433 tweets impacting 214,531 users.

Summary

Direct mail and digital channels used in combination often yield excellent results. A well-targeted direct mail can provide a powerful lever to get a campaign noticed in other channels. The crucial part the mailing played here was in getting journalists to talk and to write about the initiative. In addressing only 100 people, you can reach millions through 'earned' media.

Agency: Shackleton, Madrid

Date: December 2012

Source: Directory, Cannes Lions Awards



The fastest Christmas Song

Company overview

In 2011, DraftFCB Zürich created a YouTube video called The Fastest Christmas Card In The World, which captured over 500,000 views. In 2012, the challenge was to come up with a mailing to 3,000 BMW drivers in Switzerland, which would top that success.

Idea



The idea was to get an acapella group to sing Jingle Bells inside the sporty new BMW M135i, which was kitted out as a full recording studio. The twist was they had to sing the song while the car was being driven by racing driver Martin Tomczyk at speeds approaching 250km/h.

The recording was then sent in a card with a special sound chip to all BMW Switzerland's customers. A QR code and a link to the microsite allowed them to watch the making-of video at fastestchristmassong.ch

Results

The Fastest Christmas Song in the World achieved over 1.2m views on YouTube, as well as hundreds of thousands posts in social media. It attracted PR coverage around the world, reaching an estimated 120m people.

In addition, 65,000 eCards with the song were sent across 199 countries. In short: the fastest Christmas song in the world was a mailing that went viral, from 3,000 people out to many millions of potential new customers.

Summary

Mail is effective. But mail and digital together can be even more effective and this is a brilliant example of the symbiosis that exists between the two.

From the very start, it was a mailing designed to go viral. The creative team devised a card that gets recipients to go online to deepen the experience and then want to share it.

This campaign started with a simple mailing to a house list of existing BMW customers. It was through their networks that BMW was able to reach out around the world with a classic demonstration of their M135i model wrapped neatly in an unbelievable Christmas story. This campaign is a live proof that mail can be a brilliantly cost-efficient way to help grow the brand.

Agency: Draftfcb Zurich

Date: December 2012

Source: Directory, Cannes Lions Awards



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Avenue du Bourget, 44

1130 Brussels

Belgium

Tel.: +32 (0)2 724 72 71

www.ipc.be

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